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THE FINANCIAL HISTORY OF THE REVOLUTION

THE POWER OF MONEY

By GEO. BRONSON REA.

China's finances, like everything else pertaining to the Celestial Empire, have been like the traditional Chinese puzzle, almost impossible to understand, and difficult to unravel. The collection expenses of taxes throughout the country have been variously estimated at anywhere from

sixty to seventy per cent, leaving only thirty or forty per cent to find its way to the Treasury at Peking. No budget was ever published, or any serious attempt made to check dishonesty or the rapacity of the officials, and so long as the irreducible minimum from the provinces reach-

and a deficit resulted, a foreign loan was the usual remedy to tide over the difficulty.

The late Sir Robert Hart, foreseeing the danger ahead for the Empire, years ago endeavored to induce the Imperial Government to revise its tax laws, advocating as the basis for internal revenue,



PREMIER TANG SHAO-YI,
GRADUATE OF COLUMBIA.



PRESIDENT YUAN SHIH-KAI.

ed the maw of the Peking Boards and Imperial Clansmen, there was no inducement for the rulers to alter the system. When over-greedy officials pocketed more of the revenue than usual, or bad crops, or business depression decreased the spoils,



VICE PRESIDENT GENERAL LI YUAN-HUNG.

a tax on the total area of lands under cultivation, which was estimated to produce about Taels 400,000,000 (\$240,000,000 gold). This scheme was, however, defeated by the powerful officials who saw in



[FIELD MARSHAL HWANG HSIN,
HIGH COMMISSIONER IN CHARGE OF NANKING AND COMMANDER-IN-
CHIEF OF ALL THE ARMIES IN THE SOUTH.]

the abolition of other taxes, and the centralization of collecting this new revenue, the end of the deep-rooted and time-honored system of graft and corruption, on which the Celestial Government was founded. With this one exception there appears to have been no real effort to simplify taxation, and from year to year conditions grew from bad to worse. Not until the convocation and meeting of the National Assembly at Peking last year, was any real effort made towards drafting a Budget, and giving publicity to the sources of revenue, and light on their expenditure. The Budget as first submitted by the Government to the Assembly was:-

Revenue	Taels 296.960.000
Expenditures	376.350.000
Deficit	79.390.000

This was, however, subjected to close scrutiny and finally amended to bring the

Revenue to	Taels 301.900.000
Expenditures	298.440.000
Surplus	3.460.000

But as this was purely on paper, and as the old officials throughout the Empire were at heart opposed to the estab-



GENERAL TUAN-CHI-JUI, MINISTER OF WAR



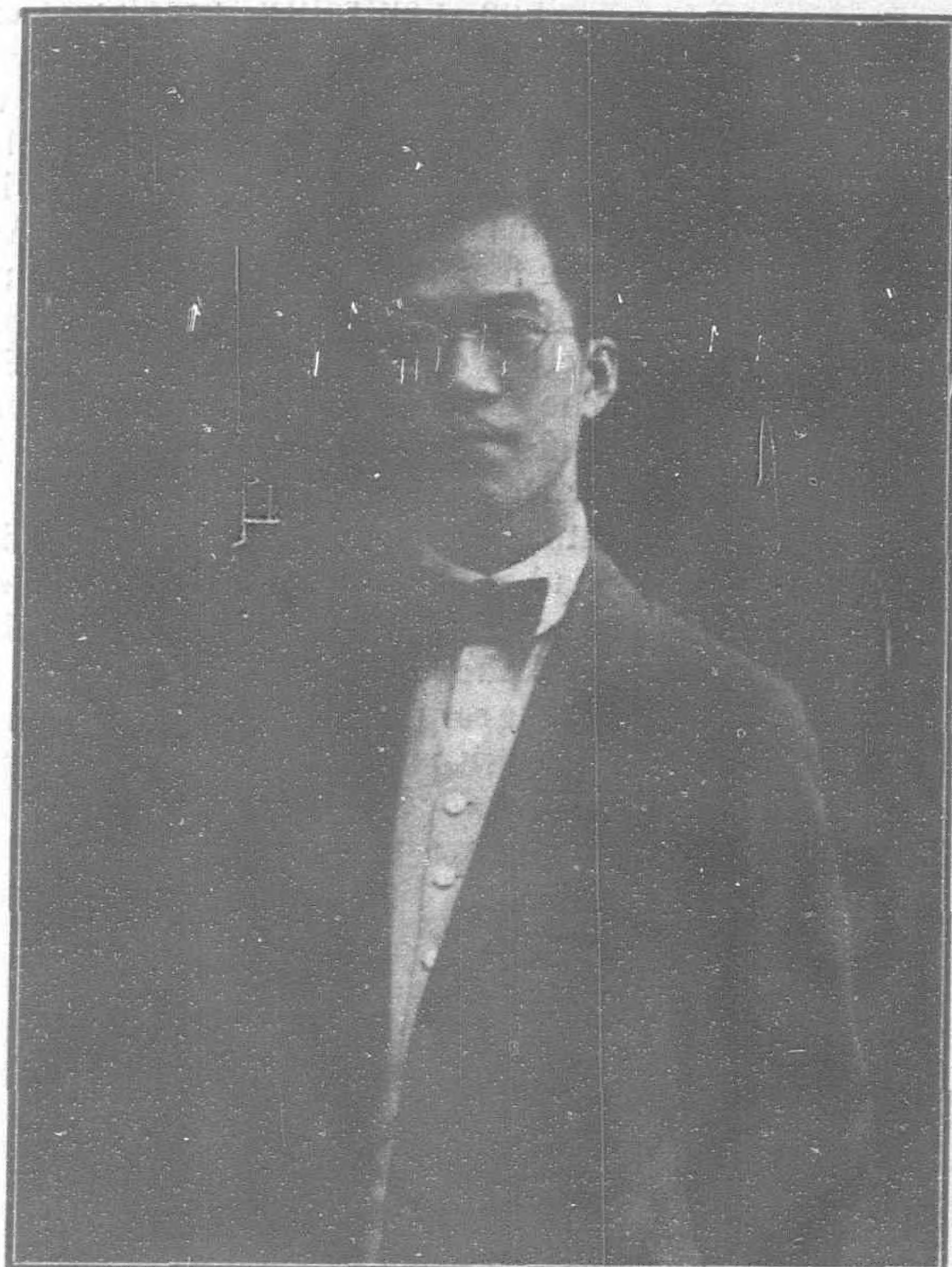
MR. SHIH SHAO CHI, (ALFRED SZE)
MINISTER OF COMMUNICATIONS (CORNELL, 1901)

lishment of the reforms and measures calculated to turn the deficit into a surplus, delay followed delay until the revolution came without any progress being made. So it may be accepted, as a conservative statement, that at the outbreak of the revolution the Empire faced an annual deficit variously estimated from twenty to seventy million Taels. The treasury was almost depleted, and nearly all available sources of revenue hypothecated for the service of the foreign loans. The borrowing powers of the nation had about reached that limit when any additional heavy loan must carry with it some provision for the reformation of the fiscal system under foreign supervision or inspection.

The bulk of the treasury funds was distributed throughout the various branches of the Ta Ching Government Bank, and the money belonging to the various Boards was deposited in the many native banks. Such, in brief, was the financial condition of the country, when the revolution, starting at Wuchang, spread like wildfire over the Country.

PEKING LOAN NEGOTIATIONS

The Imperial authorities at Peking soon realized that the scarcity of funds made offensive military operations impossible, and with the loss of revenues from the revolted provinces, capture of government funds deposited in the various native banks, and the wholesale embezzlement of moneys by officials, they were face to face with bankruptcy. The



DR. WANG CHUNG WEI,
MINISTER OF JUSTICE (MINISTER OF FOREIGN AFFAIRS IN
PRESIDENT SUN'S CABINET), GRADUATE OF YALE.



TSAI YUAN PAI,
MINISTER OF EDUCATION (HELD SAME PORTFOLIO IN
PRESIDENT SUN'S CABINET.)

army and navy whose pay was in arrears could not be relied upon unless money was forthcoming. The Manchus were pa-

ed with foreign bankers for a series of loans to fill the Imperial War Chest, the most important of which was the

one of Taels 5,000,000 to Russia, one of Taels 90,000,000 to a British, Belgian and French syndicate, a German



LU CHENG HSIANG,
MINISTER OF FOREIGN AFFAIRS.



SUNG CHIAO JEN,
MINISTER OF AGRICULTURE AND
FORESTRY.

nicky, and would have gladly accepted almost any proposition that looked like ready money. Negotiations were open-

Baron Cottu Loan for Frs. 150,000,000. In addition a loan of Taels 12,000,000 was proposed to the Four Power Group,

loan for \$5,000,000, and one other for Taels 20,000,000 from the Four Power Group. The National Assembly, however, refus-



CHEN CHI MEI,
MINISTER OF INDUSTRY AND COMMERCE. (REPUBLICAN
GENERAL OF SHANGHAI.)

ed sanction to all but the Taels 90,000,000 and the German loan, and it is reported that the preliminary agreements to these were accordingly signed by the Imperial authorities. The Provincial As-

semblies and Republicans in the South immediately raised an outcry against these loans, and threatening a boycott against the nations furnishing the funds. This caused the bankers to hesitate, and

consult with their respective Governments.

The neutrality proclamation of the Powers following shortly afterwards sealed the doom of the Manchu government, for without foreign financial support, offensive operations against the Republicans were impracticable. Aside from the fear of possible retaliatory trade boycotts on the part of the Republicans, the action of the Powers in refusing aid to the established government was largely influenced by the fact that the latter was without a strong leader who could restore order. Not one official in Peking had shown those signs of leadership, necessary to the confidence of the powers, and the hesitation to financially support the group of old time, incompetent and corrupt mandarins was a natural one, as the chances were all in favor of the funds being wasted or pocketed, and the army defeated by the enthusiastic revolutionists.

This lack of a strong and energetic leader had been apparent for the last three years, or since the dismissal of Yuan Shih kai in 1909 by the Regent. Foreign diplomats and journalists had repeatedly joined with the progressives of China in urging upon the Regent the recall of Yuan Shih kai as the only man in the Empire strong enough to dominate the situation, establish the various reform projects and place China on her political feet. Only the revolution, and menace to the dynasty, finally moved the Regent to recall Yuan and place him in supreme control. It was hoped that Yuan's great reputation and prestige with the foreigners would restore confidence in the Manchu Government abroad, and facilitate the floating of foreign loans to prosecute a vigorous campaign. The awakening of the Regent came too late. Events had moved so



HSIUNG HSI-LING,
MINISTER OF FINANCE.



LIU KUAN-HSUNG,
MINISTER OF THE NAVY.

rapidly that even Yuan's great name could not bolster up a government which had tried the temper and patience of the civilized world for over a century. Yuan keenly appreciated the enormous difficulties of the task imposed upon him being fully informed of the impoverished condition of the treasury, and knew that without funds the cause was lost.

YUAN PROMISED SUPPORT

It will be remembered that it took repeated urgings from the Regent, National Assembly and others to influence Yuan in accepting the post of Premier, and it was a full month from the time of the Regent's first overture before he arrived at the Capital to take up the reins



PRESIDENT SUN AND HIS SON, SUN FO

of government. There are many stories in circulation as to the motives which actuated him in accepting the delicate and dangerous task, and, granting the truth of these stories, it is logical to deduce that the astute politician and soldier must have had some assurance from Peking that the necessary funds would be forthcoming to prosecute the campaign, or he never would have accepted the great responsibility. And there is ample evidence that this assurance was given. Peking officials and henchmen, buoyed up by the prospects of floating the Cotto Loan, held out a definite promise that funds would be forthcoming. Yuan, however, hesitated long, and, in accepting the post, labored under the belief that his foreign friends would support him financially. In fact, it is stated in Peking that Yuan was unofficially assured by the Minister of at least one great Power, that he would receive all the financial support necessary, if he would accept the post of Premier. It must be



SUN YAT-SEN

conceded that whatever political or personal motives swayed Yuan Shih-kai in re-entering the political arena must have hinged entirely on some assurance of this nature, and it must also be accepted, and time will corroborate the statement, that promises of financial support were given, and Yuan entered upon his task in the full confidence that the foreign powers would stand by the dynasty, in the form of a constitutional monarchy.

The revolution had spread rapidly, but, outside of Hankow and Hanyang, it had been a peaceful and bloodless turning over. The hastily formed Republican provisional government had not been recognized as belligerents by foreign powers, and therefore the Peking authori-



THE DAUGHTERS OF PRESIDENT SUN



CHAO PING CHUN
MINISTER OF THE INTERIOR

ties retained all their international rights as the government *de jure*. Any loan to Yuan Shih-kai would have been well within the limits of international law and usage, and despite the threats of the Republicans, to the contrary notwithstanding, any such transaction would have been binding upon future administrations, providing always that the foreign governments undertook to support the bankers. Loans proposed by the Peking authorities, secured by revenues or properties in territory held at the time by the Republicans, would have been difficult, if not impossible, to negotiate, and the Republicans, if victorious, would have undoubtedly repudiated any such transaction, but on the other hand any loan secured on unencumbered property or tangible assets actually under the control of the Imperial government, recognized as it was by the Powers, must have held and been recognized as binding on succeeding administrations. In accepting the post of Premier, the situation was therefore



MR. WEN TSUNG YAO

WHOSE BRILLIANT PUBLICITY WORK DIRECTED AGAINST THE MANCHUS
FRUSTRATED THEIR SCHEMES TO RAISE FUNDS, AND THUS
ASSURED THE SUCCESS OF THE REPUBLICANS. GRAD-
UATE OF QUEEN'S COLLEGE, HONGKONG

clear as far as Yuan was concerned, and he had every reason to believe that the Powers would permit the bankers to negotiate loans, at least until such time as the revolutionists were recognized as belligerents.

THE COTTU LOAN

Events had moved so rapidly that Yuan's hesitation gave the revolutionists time to solidify their position, and bring pressure to bear on the powers to maintain a strict neutrality. And when Yuan finally arrived in Peking, and took over control, it was too late to hope for success in floating a loan. The Cottu loan seemed to be the one chance of success. It is reported that this was first offered to the Four Nation Group, and then a provisional arrangement entered into with Baron Cottu. As far as can be ascertained this loan contract was originally signed for Frs. 90,000,000 with the stipulation that it might be increased to Frs. 150,000,000 (£6,000,000) at 92 net, six per cent, secured on the general revenues of the country, amortization to commence in 10 years and redeemed in 6 annual installments.

It appears that when Baron Cottu arrived in Peking the financial stringency was most serious. The treasury was empty, and the Government had abandoned as hopeless the floating of a loan from the Four Power Groups. The Groups, reflecting the sentiments of the Lega-

tions, were willing and even anxious to advance the necessary funds to save the monarchy, but the opposition of the better informed home Governments against such a course at this time, made successful negotiations uncertain.

In their dire straits, the Manchus would have signed a loan agreement with anyone, and it was at this opportune moment that Baron Cottu approached them for a loan, and, as far as it is known, he did so merely as a speculator, hoping to place the loan on the European market after securing the agreement. The Manchus permitted themselves to believe that Baron Cottu would make good and break the neutrality through private bankers outside the Four Groups, and there is little doubt that Yuan's friends deluded themselves with the same hope, and their reports induced him to believe that ample money was in sight to see him safely through, and on these representations, added to other foreign assurances, he finally decided to go to Peking.

But Baron Cottu, like other independent bankers laboring under the hallucination that the Open Door policy extended to Chinese finance, failed to take into serious consideration the existence of the powerful groups operating with their respective Governments, and, when he finally arrived in Paris, found that the Groups and the Governments were ahead of him. The French Government refused to sanction the loan, or permit

the bonds to be listed on the Bourse. In Berlin and London, the Groups and their Governments opposed the entrance of any independent banker in the Chinese field as such action might muddle the situation, and conflict with some of the many delicate concessions previously ceded by China to the official combine. On top of all this came the emphatic demands of the Republicans that strict neutrality be preserved.

The Loan was therefore doomed to failure, but Baron Cottu made strenuous efforts to overcome the opposition of the Groups and the French Government. The Manchu authorities realizing that with the collapse of this scheme they would be at the mercy of the official groups, came to Cottu's assistance, and, on December 1st, authorized an increase of the loan to Frs. 150,000,000 as provided for in the original contract, and as a special inducement to secure the French Government's approval, granted a concession to the Creusot Steel Works for the construction of a bridge across the Yangtze from Wuchang to Hankow. It was hoped that this profitable contract would influence the French Government to grant the necessary permission for the listing of the bonds on the Paris Bourse. The bait was attractive, but the French Government's first allegiance was to the official Group that was following instructions and keeping hands off. After two weeks' of fruitless endeavors the last hope of the Cottu loan was abandoned.

The collapse of the Russian, German and other negotiations following shortly afterward, convinced the Peking authorities of the hopelessness of their cause.

FOREIGN SENTIMENT FAVORED YUAN

On the other hand, from the semi official statements of the foreign ministers in Peking, Yuan Shih-kai had every reason to believe that the vacillation of the Groups was only temporary, and that the rights of the government de jure would finally be recognized, and support tendered. For it is certain that the opinion of the foreign ministers accredited to the Imperial Government at Peking was unanimous that Yuan Shih-kai should be upheld, as the only means of restoring order throughout the Empire.

Furthermore, it is also certain that all the Legations strongly urged on their governments the necessity of immediate action, otherwise Yuan would be unable to restrain his troops in the North, and a reign of anarchy would result, which might terminate in foreign intervention.

As opinion is invariably more or less influenced by environment, the legations in Peking, cut off from accurate or reliable news from the South, naturally minimized the importance of the revolution, and clung to the belief that Yuan's strong hand would soon force some compromise that would sustain the tottering dynasty in the form of a constitutional monarchy. So they emphasized the fact that Yuan was still the only man to save the situation.



THE PEACE COMMISSIONERS
PREMIER TANG SHAO-YI, THE IMPERIAL DELEGATE, STANDING, AND
DR. WU TING-FANG, REPUBLICAN DELEGATE, SEATED.

REPUBLICAN PUBLICITY PROPAGANDA

The home Chancelleries, however, were receiving direct news from the South, giving the other side of the story. While Yuan Shih-kai and his group of old time supporters, steeped in the traditions of the past, refused to give

publicity to their movements or general line of policy, the Republican leaders, the majority of whom had been educated abroad, were keenly alive to the value of publicity and the power of the press in moulding foreign opinion. While Yuan and the Imperial Princes were

maintaining that dignified reserve characteristic of the old school mandarin with a supreme contempt for foreign ways, and still guarding themselves from foreign journalists, who might have assisted in creating a favorable opinion in behalf of his cause, the other side was conducting its affairs in the most approved foreign style. Foreign journalists were given every opportunity to see for themselves, and the opinions of the various leaders were freely expressed and telegraphed to all parts of the world. And when important measures were taken, leaders like Wen Tsung-yao, Wu Ting-fang, and Sun Yat-sen, sent personal cablegrams to their newspaper friends in other countries. While the Republican leaders were always willing to permit their photographs to be taken and sent abroad, the hide bound conservatism of the Manchu rulers still refused to permit the world to see a photo of the Emperor or Empress Dowager. The great outside civilized world followed its traditional custom, and sympathized with those who confided in it. The brilliant publicity work of the Republican side, appealing direct to foreign opinion through the medium of the press, outweighed the official reports of the legations, and compelled the home governments to hesitate before approving of loans to Yuan.

To Wen Tsung-yao, Wu Ting-fang and their advisors directing the foreign relations of the Republicans from Shanghai, is due the credit for this efficient publicity propaganda which turned foreign opinion against Peking, and made impossible the flotation of any loan. This was the most important end of the great struggle, for with ample funds Yuan would have carried the war into the Southern Provinces, and proclaimed peace only after the Empire had been dyed red with the blood of the Republican patriots.

So Wen and his advisor were always on guard, and worked overtime in checking the many loan propositions of the Imperialists. All the foreign banks and larger commercial firms in China were warned that loans to the Imperialists were extremely hazardous and would be repudiated if the Republicans won the victory. Lengthy cable dispatches were sent to foreign governments, financiers,



THE PROVINCIAL ASSEMBLY HALL AT WUCHANG
HEADQUARTERS OF GEN. LI YUAN-HUNG AND THE REPUBLICAN GOVERNMENT OF THE HU KWANG PROVINCES.

and private friends in the same strain, and when Yuan and the legations urged that support be tendered to prevent an outbreak on the part of the Northern troops, Wen or Wu promptly cabled to foreign newspapers that it was only a ruse, which on its face condemned the Manchus as being incapable of controlling the simple elements at their command. "Foreigners can increase the Legation guards, or remove to Tientsin until the Revolutionary troops reach Peking where they will be accorded the fullest protection, added Dr. Wu in his cables. "If foreign financiers are moved by the specious plea that money is necessary to safeguard the foreigners in Peking, they would at once plunge all the foreign interests in the independent provinces into danger, for any defeat of the revolutionary plans would be placed by the Chinese people at the door of the foreigners who aided the other side with money."

The appeals of Yuan were answered by the demands and threats of Wen and Wu. Every move of Yuan's to secure money from abroad was followed by the growls of these Two Watch Dogs of the Revolution. There may be many plausible reasons to account for the strict neutrality of the Powers, but if the truth is ever told, it will disclose that their strange attitude throughout the revolution, which made possible the Republican victory, was inspired by simple commercial timidity and fear of Republican reprisals. From this viewpoint Wen Tsung-yao, on whose shoulders devolved the brunt of the publicity work, deserves the highest honors that a grateful republic can bestow.

YUAN'S PLEA FOR AID

The full significance of the revolt against Manchu rule was therefore clearer to those residing in foreign capitals, than to those whose horizon was limited by the gray crenellated walls of Peking. To the repeated recommendations of the legations in support of Yuan, the Chancellors answered that as the South was entirely under Republican rule, any support to the North would result in retaliatory trade boycotts, destruction of property, and possible anti-foreign uprisings with consequent massacre of all foreigners in the interior. In view of this, the governments could not sanction any financial assistance to the other side, and China would have to solve its internal problem unaided. Yuan on being informed of this attitude, which in effect abandoned him to fight the issue out alone, naturally felt his friends had betrayed him. For three years all foreigners, with the possible exception of the Japanese, had clamored for his recall, and now that he was again in supreme control, he naturally looked for some tangible expression of their good will and confidence. The situation had not changed. Aside from Li Yuan-hung and Dr. Sun Yat sen, no leader had arisen on the other side, and no other official of the established government had in the meanwhile demonstrated any exceptional gifts of statesmanship or leadership. Yuan remained where he had always been, and was still the only man strong enough to dominate the



GEN. HSU SHAO-CHANG
COMMANDING THE REPUBLICAN ARMY AT
THE CAPTURE OF NANKING



GEN. HU HAN-MING
FIRST REPUBLICAN GOVERNOR OF KWANG-
TUNG. CHINESE SECRETARY TO PRESIDENT
SUN YAT-SEN

situation and restore order, but the utter lack of funds in the Imperial treasury made it impossible to defray the ordinary routine governmental expenses, and prohibited any effective plan of campaign against the republicans. Yuan and his intimate advisors made heroic efforts to induce the foreign powers to raise the embargo, and permit small loans to tide over the most urgent necessities. The army had remained loyal to the Imperial cause, largely through their faith in and devotion to Yuan, but the time would come sooner or later when unless they were paid, discontent would breed mutiny, and then the North would be given over to the horrors of anarchy and chaos, with an uncontrollable soldiery looting, burning and desolating the country. The Manchu Bannermen inside the walls of Peking would have to receive their customary tribute or allowance of rice or money, or there was danger of an uprising in the Capital, which might readily assume such proportions as to threaten the safety of the legations.

Either of these possibilities could only have one ending—foreign intervention—and this could readily lead to permanent occupation, and ultimate dismemberment. So from the viewpoint of those in Peking the situation there was more critical than in the South, and there was some justification in tendering support to Yuan to avoid trouble. It may be broadly stated that all the foreign ministers were unanimous in reflecting this sentiment, and notwithstanding the threats of the Republicans, and in face of possible retaliatory measures, they were in favor of financially supporting Yuan. It may also be accepted that diplomatic opinion was in favor of a limited monarchy rather than a possible unstable republic which would have such a great political and moral effect on neighboring countries in Asia.

EFFECT OF A REPUBLIC

It was urged that if China had reached that stage when it could take its place amongst the great republics of the world, and her millions of ignorant, benighted people were competent to assume the burdens and duties of citizens of a republic with that all this implied, than Great Britain's policy in India was doomed to failure. The establishment and recognition of a Chinese republic would increase the unrest in India, and the demand by the natives for a larger share in their own government would sooner or later break out into open revolt, and Britain would pay in India the price in blood and treasure for her vacillating policy in China.

And by the same logic, America would be called upon to modify her policy in the Philippines. Her only justification before the world, her sole reply to the attacks of the Anti-Imperialists and the repeated demands of the Filipinos for immediate independence, was that in her opinion the Filipinos had not yet reached that stage, where they could be trusted to govern themselves, and to protect the natives against the self-seeking political agitators, America must therefore hold the reins until such time as the Filipinos were educated as to the point where they could manage their own affairs. In other

words, the recognition of a republic in China would sow the seeds of sedition in India and unrest in the Philippines, and incite the natives to open rebellion to secure a broader political liberty.

The effect of a Chinese republic on Japan would intensify the growing opposition of the masses to the dominant mili-

tary oligarchy, and strengthen the socialistic movement. Russia's antipathy to all republican ideas was well known, and a stable Chinese republic would, by comparison, ultimately breed trouble for her in Siberia and Central Asia.

The Prince Regent had abdicated and the Manchus were shorn of all their pow-

ers, and the Baby Emperor, as a constitutional monarch, would re-unite all sections of the Empire, and permit Yuan as Premier to lead the country along the road to reform and prosperity. The Manchus had ceded all the demands of the Republicans; all that remained was the empty shadow of the throne, and the saving of face.

BRITAIN'S PREDOMINATING INFLUENCE

From every point of view, it is clear that foreign opinion in the North was strongly in favor of supporting Yuan. Although unanimous on this point, the Powers individually hesitated to break the self-imposed neutrality, and the various meetings of the Ministers held at Peking to consider the advisability of aiding Yuan, terminated without arriving at an understanding. In view of the fact that British interests predominated in China, and any retaliatory trade boycott, destruction of property or massacre of foreigners, must fall heaviest on Great Britain, the Powers by common consent deferred to the wishes of Great Britain in saying whether Yuan should receive financial support or not. It is generally understood that up to this juncture, the British Minister at Peking, Sir John Jordan, fully agreed with his colleagues in that Yuan, as the only man to save the situation, should receive foreign financial aid. The action of the Powers which virtually threw the entire responsibility on the British Minister, compelled him to hesitate and waver. His natural inclination must have been to maintain his position and decide in favor of Yuan, but the pressure from his own nationals in the South was too great to be ignored. Influenced by their republican environment, and to the fact that the bulk of their interests and properties was in territory under control of the Republicans, the larger British firms of Shanghai and other important treaty ports in the south were loud in their protests against supporting Yuan. Their home offices besieged Downing street, and brought pressure to bear at that end. So Sir John Jordan found himself in a most delicate position. On the one hand he faced a possible anti-foreign uprising in the South if Yuan was permitted to borrow funds, and on the other the absolute certainty of anarchy and chaos in the North if the troops were not paid. Yuan confidently expected



PRESIDENT SUN YAT SEN TALKS TO THE SPIRITS. DELIVERING HIS ADDRESS AT THE MING TOMB. ABOVE THE CROSSED REPUBLICAN FLAGS IS A PAINTING OF THE FOUNDER OF THE MING DYNASTY, WHOSE PECULIARLY FORMED CHIN IS A STRIKING FEATURE OF HIS PHYSIOGNOMY. THE ALTAR WAS IN A BUILDING BUILT FOR THE OCCUPANCY OF THE SUCCEEDING EMPEROR DURING HIS PERIOD OF MOURNING SOME FIVE CENTURIES AGO AND IS NOW ROOFLESS.

that the British Minister would stand by him and as day after day passed without a break in the deadlock, it was only natural suspicions would be created that Sir John Jordan was taking advantage of the situation to further the interests of Great Britain. In view of the facts, there was some reasonable grounds for such distrust. By destroying the possibility of Yuan receiving financial support, the success of the Republicans was made certain, and it was urged in some quarters that

accustomed to the intrigue laden atmosphere of Peking, and without accurate knowledge of the great momentum and force of the revolution, the first natural impulse was to credit these allegations and question the motives of the British Minister. Probably no other diplomat was ever placed in such an embarrassing and delicate position. Support to Yuan spelled paralyzation of trade, destruction of property, massacre of foreigners, prolongation of the civil war, and certain desolation

acted in pursuit of selfish interests in this matter, time will reveal that her policy was based on the broader humanitarian desire to avoid a prolongation of the war, and prevent the shedding of innocent blood.

When towards the end of January the Manchus saw that the end had come, and they really had to go, the latent antagonism to Sir John Jordan manifested itself, and several serious menacing letters were sent him. Rightly or



DR. SUN YAT-SEN AND PARTY APPROACHING THE MING TOMBS, TO INFORM THE SPIRITS OF THE LONG DEAD EMPEROR OF THE RECOVERY OF THE COUNTRY BY THE CHINESE. 15,000 REPUBLICAN TROOPS MASSED NEAR THE TOMBS AND LINED THE ROUTE TO THE CITY OF NANKING.

Britain would take unto herself all the credit, and receive due reward in valuable concessions from the grateful Republicans. Or on the other hand if the troops in the North brought about a state of anarchy calling for foreign intervention, by reason of her predominating interests in the country, Great Britain and her ally would control the situation, and dictate the future policy. In other words, Britain would have nothing to lose, but everything to gain, by prolonging the deadlock. To those in the North,

of the country, with the chances of ultimate Republican success and repudiation of the loans. Non support would result in anarchy in the North, success to the Republicans, and criticism of his actions by other foreign interests. No wonder Sir John Jordan hesitated, and preferred criticism and suspicion, rather than have on his head the blood of those scattered throughout the interior whose lives would have paid the penalty for supporting the dynasty. So though it might appear that Great Britain

wrongly, the Manchus believed that the stubborn attitude of the British Minister in regard to loans was directly responsible for their downfall, and some of the hot heads harbored the thought of throwing a bomb at him.

The financial negotiations had up to this time been confined to the four great creditor nations, but in the hope of breaking the deadlock, it was proposed that in view of Russian and Japanese interests in China, these nations should also be invited to participate in a loan to Yuan,



DR. SUN YAT SEN AND PARTY AT THE MING TOMBS.—DR. SUN IS STANDING IN THE CENTER; FIRST AT HIS RIGHT, IN OVERCOAT, IS GENERAL HUANG HSIN, MINISTER OF WAR; NEXT TO GENERAL HUANG, TO THE RIGHT, IS GENERAL HSU SHAO-CHANG, COMMANDER-IN-CHIEF OF THE FORCES THAT ATTACKED NANKING, AND NOW IN CHARGE OF THE NATIONAL GRANARIES

roughly \$5,000,000 gold was appropriated for this work, and under Jeme Lien-yu the line was successfully completed. Its gross earnings last year, according to official report, amounted to Tls. 1,250,000 (\$750,000 gold) and the surplus Tls. 400,000 (\$240,000). The China Tribune, a well informed Japanese journal of Tientsin, is authority for the statement that the line is operated at an annual loss of Tls. 200,000 (\$120,000). "The China Year Book" for 1912 also states that the line is operated at a loss, basing the report on official information from the Railway Board. This loan was offered (on Dec. 10th) to William Saloman & Co. heading an independent American banking group, and the reasons advanced by the Imperial Government for placing this loan in America, was that under no conditions would China ever consent to pledge the Kalgan Railway to any European power, fearing that it might fall into the hands of Russia. The negotiations with the American independent group, also fell through, for although the loan was attractive and profitable, the bankers refused to act against the wishes of the State Department, or violate the strict neutrality requested by the Republicans.

It is characteristic of Chinese politics, that while her officials were entreating Americans to come to her assistance, on the plea that they would only pledge the Kalgan railway to America, they were in active negotiations for a loan with a financial syndicate controlled by the very Power whose influence they had every reason to fear. Although it has

this forstalling international jealousies and placing all on an equal footing. British initiative would then have received the support of all the Powers. Still Britain hesitated and refused to act. Another meeting of the Ministers, at which the same topic was discussed, was held the day before Tang Shao-yi arrived at Shanghai, and it was then proposed that each Minister should convey to both Peace Commissioners an identical note expressing the hope that the negotiations would terminate in lasting peace. It was generally understood in Peking that this friendly note veiled the threat that if the negotiations failed, the Powers would support Yuan as the only means of restoring order and preventing further loss of life and damage to foreign trade.

KALGAN RAILWAY LOAN

All this time Yuan was making desperate efforts to secure funds, and various propositions on exceptionally favorable terms were placed before independent foreign bankers. The most important of these was the attempt made to raise a loan of £1,000,000 secured on the earnings, surplus and property of the Imperial Kalgan Railway. This line, 125 miles long, was constructed by China, with her own funds, and under Chinese direction. From the surplus earnings of the Imperial Railways of North China the sum of Tls. 8,000,000 or



DR. SUN YAT-SEN AND PARTY PROCEEDING THROUGH THE MING MAUSOLEUM GROUNDS TO TOMB OF EMPEROR.—THE RIDGE AT REAR IS SPUR OF PURPLE MOUNTAIN OCCUPIED BY LOYALISTS AND CAPTURED BY [REVOLUTIONISTS ON NIGHT OF NOVEMBER 30, FORCING THE CITY OF NANKING TO SURRENDER DECEMBER 2.



GEN. KU TSUNG SHEN
COMMANDING THE KIANGSU DIVISION OF THE REPUBLICAN
TROOPS LEADING THE ATTACK ON PURPLE
MOUNTAIN.



GEN. AN CHU JU,
COMMANDING THE CHEKIANG TROOPS



GEN. HSU SHAO-CHANG, COMMANDER-IN-CHIEF
APPOINTED CHIEF OF STAFF BY YUAN SHI-KAI, BUT DECLINED. AFTERWARDS ACCEPTED
POST OF COMPTROLLER GENERAL OF THE PEKING GRANARIES.

THE REPUBLICAN GENERALS WHO STORMED PURPLE MOUNTAIN, ROUTED
THE IMPERIAL ARMY UNDER GENERAL CHANG HSUN AND
CAPTURED NANKING, THE SOUTHERN CAPITAL



C. T. WANG,
DELEGATE FROM CHEKIANG



DR. C. E. M. BOK,
FIRST PRESIDENT OF THE PROVISIONAL REPUBLICAN NATIONAL ASSEMBLY AND
DELEGATE FROM KWANGTUNG. GRADUATE OF COLUMBIA
UNIVERSITY, NEW YORK.



GEN. WANG CHIH-HSIANG,
COMMANDING KWANGSI TROOPS.

been a standing and fixed policy of the Chinese Government to maintain control of this railway, and checkmate Russia's cherished dreams of an easy approach to Peking through the Kalgan Pass, we find that in their hour of need, the Manchus under Yuan Shih-kai's leadership were willing to open the gates to the Northern foe. It is now admitted that the negotiations were pending since last November. And after the establishment of the Republic the first official act of its President and Premier was to sweep aside the traditions of centuries by negotiating what is now known as the Belgian Loan.

The American syndicate was completely ignored and given no opportunity to compete, and so secretly was the deal made that not even the Republican authorities at Nanking were consulted, remaining in complete ignorance of the terms until Yuan was compelled to seek the support of the National Assembly.

The sudden conversion of Tang Shao-yi to the Republican cause, and his public expression of opinion that a loan to



WANG CHAO-MING
ONE OF THE LEADERS OF THE REPUBLICAN
PARTY AND MOVING SPIRIT OF THE SWORN
BROTHERHOOD SECRET ASSOCIATION.

Yuan at that time (Dec. 23rd) would prove most disastrous, and throw the whole South into a ferment of anti-foreign outbreaks, was cabled to America and contributed largely to the failure of this loan. This was the last straw, and Yuan was face to face with defeat and the abdication of the Emperor. With the failure of these pending loan negotiations, the financial stringency in Peking reached its most acute stage.

The feeling in Peking against the official groups and these independent bankers who failed to advance funds to Yuan in his hour of extremity was naturally very bitter and the opinion was then freely expressed that, if Yuan was ultimately successful, he would retaliate by ignoring the existing groups, and borrow the necessary funds for reorganization from independent sources.

It was then realized that some heroic measures must be followed to secure funds from within the country, even if a compulsory loan was forced on the merchants and officials.



CHENG TE CHUAN,
REPUBLICAN GOVERNOR OF KIANGSU AND GENERAL-
ISSIMO OF THE KIANGSU TROOPS.



TANG SHOU CHIEN,
PRESIDENT OF THE CHEKIANG RAILWAY COMPANY,
AND LEADER OF THE REVOLT IN CHEKIANG PROV-
INCE. MINISTER OF RAILWAYS IN THE PROVIS-
IONAL REPUBLICAN CABINET.

RAILWAY FREIGHT REBATES

At this juncture H. E. Liang Shih-yi, acting Minister of Railways, and one of Yuan's closest advisors and friends, conceived the happy idea of securing ready funds by granting a rebate on freights to the largest shippers over the Peking-Hankow and Northern Railways, in return for advance payments. In a circular ad-

ressed to the principal mine owners and merchants, with a view to facilitate the resumption of traffic and permit shippers to forward their stocks of goods accumulated in the warehouses, they were notified that those depositing a sum of \$50,000 or more before December 23rd, would receive a reduction of 20%; a deposit of \$30,000 and up to \$50,000

would entitle them to 10 per cent. reduction, and a full train of 25 car loads of merchandise would receive five per cent. reduction in rates. These conditions were to expire on December 23rd, so it was clear that it was an emergency method of securing ready cash. It is hardly needless to say that nearly every mining company and large shippers



CHANG CHIEN
MINISTER OF INDUSTRY IN THE PROVISIONAL REPUB-
LICAN CABINET.



DR. CHEN CHIN-TAO,
THE REPUBLICAN MINISTER OF FINANCE IN PRES-
IDENT SUN'S CABINET. MANAGER OF THE BANK
OF CHINA AT SHANGHAI. GRADUATE OF YALE.



GEN. SUN TAO JEN,
REPUBLICAN GENERAL AND GOVERNOR OF
FOOCHOW, FUKIEN PROVINCE.



GEN. HSU CHUNG CHIH,
CHIEF OF STAFF OF THE FUKIEN REPUBLICAN
ARMY.



CHEN CHIUNG MING,
ACTING GENERAL OF KUANGTUNG.

promptly accepted the offer; in one case the deposit amounting to £30,000 and upwards. The shippers, many of whom were British paid over the cash without consulting the British Minister, and accepted the transaction as a purely business one which concerned their own interests. There was however one exception in the case of an important British mining syndicate, whose manager deemed it wiser to secure permission from his Minister, and was informed that the acceptance of the offer would be regarded as a breach of neutrality. As the precedent had already been created by their competitors, this attitude on the part of the Minister consigned the Company to serious loss, by reason of the discriminating

lower rates enjoyed by their competitors. It is also openly stated in the North that this strict adherence to the letter of neutrality reached the point where a British subject employed by the Chinese Government purchased a Patriotic Loan bond for \$100.00 Mex., was also warned that this was a breach of neutrality and deportation would follow unless the check in payment for the bond was cancelled.

This ingenious scheme of Liang Shih-yi's is reported to have brought nearly a million taels into the treasury, tiding over the situation for the last week of the year. At the same time a Patriotic Loan Prospectus was issued, urging all officials to subscribe to a certain number of bonds, based on their salary or income. This appeal to patriotism resulted in raising about two million dollars, but in many cases the cash was never turned over. With the failure of this measure, all hopes of raising funds, either from abroad or at home was abandoned, and only one source remained from which Yuan could expect to receive financial aid. Turned down by his foreign admirers, distrusted



SHEN TUN-HO
PROMINENT REPUBLICAN LEADER OF SHANG-
HAI, AND DIRECTOR OF LOCAL RED CROSS
SOCIETY.



CHU PAO SHAN,
DIRECTOR OF FINANCE OF THE REPUB-
LICAN GOVERNMENT OF SHANGHAI.



LI PING SHU,
REPUBLICAN DIRECTOR OF CIVIL ADMINIS-
TRATION AT SHANGHAI.



WEI CHEN TSU
VICE MINISTER OF FOREIGN AFFAIRS IN
PRESIDENT SUN'S CABINET

by his own people, and hated by the Manchus, Yuan's position was certainly unenviable. He had accepted the task to maintain the monarchy, and had sworn to die upholding that cause. His few trusted lieutenants like Liang Shih-yi, Chow Tze-chi, Tsai Shao-chi and others had also sworn to stick to their posts and go down under the executioner's sword, rather than forsake their old friend and patron. The loyalty of these officials to the man who had made them had never swerved from the day of his dismissal by the Regent. Southerners all of them, with the hatred of the Manchus in their hearts, they stood by Yuan in his hour of trouble, even when threatened by assassination and confiscation of



LING SEN
PRESENT CHAIRMAN OF THE NATIONAL
ASSEMBLY

their homes and properties in the native cities. Tang Shao-yi's conversion to the Republican cause bereft Yuan for a time of his most trusted advisor and helpmate. It has been repeatedly asserted that Yuan and Tang were in full accord and that Yuan had from the first accepted the post of Premier to facilitate the downfall of the Manchus, but the idea of such cold-blooded deceit and treachery cannot be entertained. Tang's change of front came when he saw for himself the great force behind the movement in the Yangtze region, and realizing that any loan to Yuan would only prolong the struggle, and end in victory for the South, he very wisely gave in before the logic of Dr. Wu and Wen Tsung Yoa, accept-



CHU CHENG
VICE MINISTER OF THE INTERIOR IN PRESIDENT SUN'S CABINET

ed the inevitable, and advised Yuan to cede to the Republican terms.

APPEAL TO THE PRINCES

Yuan could not immediately accept for his life would have paid the forfeit at the hands of the betrayed Manchus. Several times during the progress of the peace negotiations his life had been threatened, and one night in particular, the streets of Peking were deserted by all save the police, as the rumour had circulated that one of the princes, at the head of a picked detachment of the Imperial Guard, would march over to Yuan's headquarters at the Waiwupu, and murder the Premier. But through it all, Yuan did his best for the tottering dynasty. His private for-



HUANG HUNG YU
VICE MINISTER OF FINANCE IN PRESIDENT
SUN'S CABINET



GEN. NIU YUNG CHIEN
ASSISTANT CHIEF OF THE GENERAL STAFF OF
THE REPUBLICAN ARMY



LU CHIH YI
VICE MINISTER OF LAW IN THE REPUBLICAN
PROVISIONAL CABINET



MA CHUN WU
VICE MINISTER OF INDUSTRY IN PRESIDENT
SUN'S CABINET

cause, and Yuan determined to make one more effort. Either the Empress Dowager and the Princes must sacrifice their wealth, or Yuan's task was finished. His now memorable visit to the Palace on the morning of January third was the outcome. Through lines of picked troops guarding the avenues from the Waiwupu to the gates of the Imperial City, escorted by a heavy bodyguard, Yuan rode to the Palace, and before the Empress Dowager and the assemblage of princes, announced that as all other means of raising funds had failed, and his own private fortune had been contributed to the war fund in their behalf, the Imperial family and Clan must now sacrifice their fortunes for the cause of constitutional monarchy. If immediate financial support was not forthcoming, Yuan's resignation as Premier must be accepted. It was Yuan's ultimatum to the Manchus. If the slightest trace of their old time manhood and character had remained there would have been a spontaneous response to this appeal, and the doors of their treasure houses opened to defray the expenses of defending their cause. History records that the Empress Dowager, and many of



CHING YAO YUEH
VICE MINISTER OF EDUCATION IN PRESIDENT
SUN'S CABINET

tune had gone into the treasury, and his home and properties in Honan and Peking were heavily mortgaged to raise funds for the cause he had sworn to uphold. Only when convinced that the struggle was useless, did he make his last appeal to the Throne and the Imperial Clan for that financial aid, that in any other country would have been tendered unasked during the early stages of the struggle. The hoards of treasure reputed to lie concealed in the palaces of the Forbidden City had not been broached and the Princes had shown no inclination to part with any of their illgotten wealth for a cause in which they were the chief beneficiaries. This was the time for them to show some faith in their own



TANG HWA LUNG
VICE CHAIRMAN OF THE FIRST PROVISIONAL
NATIONAL ASSEMBLY

the great treasure of the old Empress Dowager, hidden in the palace during her flight from Peking in 1900, was found intact on her return. After her death the Comptroller of the Household reported that the privy treasure amounted to 12,000,000 taels of gold and taels 990,000,000 of silver. The fortune of Prince Ching was estimated as exceeding that of the late Viceroy, Li Hung-Chang, and the various princes of the blood holding office were also reputed to be extremely wealthy. The amount of money deposited in the various foreign banks by the princes of the blood was said to exceed \$65,000,000 in silver.

With the private fortune of other high Manchu dignitaries and the Mongolian princes and allowing for gross exaggeration in the amount of the Empress Dowager's hoard, it may be safely assumed



YU YU JEN
VICE MINISTER OF COMMUNICATIONS IN
PRESIDENT SUN'S CABINET

the gallant princes sobbed and wept real tears. The Dowager on several previous occasions had contributed some millions of taels from the Imperial hoard to tide over the stringency, and on this occasion set the example by a further gift of gold equivalent to Taels 3,000,000. Prince Ching also came forward with Tls. 1,000,000 and another Tls. 2,000,000 was promised by the various princes, or a total of less than \$4,000,000 gold. With care and economy this would keep the government afloat for at least another month, if the armistice could be extended and further field operations delayed.

The extent of the Imperial fortune has always been a matter of mystery. It is asserted on the highest authority that



GEN. LAN TIEN-YU
COMMANDING THE REPUBLICAN ARMY
IN MANCHURIA



TAN YEN KAI,
REPUBLICAN GENERAL OF HUNAN
PROVINCE.



CHANG CHUNG TUAN,
LEADER OF THE REVOLUTIONARY MOVEMENT IN
HONAN, WHO WAS CAPTURED BY OFFICIALS OF
THE MANCHU GOVERNMENT AND WAS KILLED.



GEN. LING SHU CHING,
COMMANDING A BRIGADE OF THE CHEKIANG
TROOPS AT THE CAPTURE OF NANKING.

that they controlled enough wealth to carry on the war for over a year, though it is possible that the bulk of the fortunes was tied up in property or valuables difficult to convert into ready cash. Yuan's ultimatum on January 3rd was followed the next day by a demand from the Northern Army that the Princes give up their "ill gotten gains" and hand them over to the War Department, otherwise they were to be treated as traitors, their lives forfeited and properties confiscated. They further urged that all the precious treasures in the Imperial Palace at Peking and Mukden be sold in order to supply

the needs of the Army. Princes Tsai Tao and Tsai Hsun, brothers of the Regent and Imperial heads of the War and Navy Office, were called upon to disgorge, as it is well known that they amassed great wealth during the three years they have held office. In fact, it is urged that the greed of Prince Tao in selling commissions gave the revolutionists the opportunity of placing their Generals in Command of the most important divisions and brigades of the Army. In view of the decided Republican complexion of all the demands made by the army at the critical moments when the dynasty found

itself in a corner, there are good grounds for this accusation.

The other side of the story is revealed in the "Peking Official Gazette," a translation of which appeared in the "China Gazette" of Shanghai on January 24th, ulto.

January 24th, 1912.

"In the Peking Official Gazette an interesting item of news is found. A few days ago there was said to have been a firm belief among the people of China that the Imperial Princes had large sums deposited in the foreign banks, and their apparent reluctance to purchase the Patriotic Bonds was much censured. This seems to have been bitterly resented by the Prince



GEN. LUNG CHI KUANG,
OF THE KWANGTUNG ARMY.



GEN. PO WEN WEI,
COMMANDING THE FIRST DIVISION OF
THE REPUBLICAN ARMY.



GEN. CHUANG YUN KUAN,
COMMANDING THE KIANGSU REPUBLICAN
TROOPS.



GEN. HWANG SHIH-LUNG,
CHIEF OF STAFF OF THE KWANTUNG TROOPS.



SUN WU,
DIRECTOR OF MILITARY AFFAIRS OF HUPH.



CHIANG CHU PING,
VICE MINISTER OF THE ARMY.

Regent, Chun. His Highness invited the Government to send to the banks and make enquiries as to the truth or falsehood of the rumour. It is were found that he, the Prince Regent, was proprietor of a large sum deposited in any bank or banks, he was quite willing that the money should be confiscated for the service of the State, and even punishment should be inflicted upon himself for making a false statement. On the other hand, he required that if his assertion were borne out by fact, then the Government should take steps to rehabilitate his reputation. As a matter of fact, he was only in possession of the Tls. 10,000 saved with difficulty from his salary. All this has been published in the Peking Official Gazette from which we infer that the accuracy of the Prince's statement is admitted by the Authorities. The Official Gazette concludes by saying that exhaustive measures have been taken at the instance of Princes Chun and Ching to ascertain the actual state of the Prince's re-

sources, and the result has been that a majority of Princes have no funds whatever in the banks and that the deposits of all the officials put together do not aggregate more than Tls. 2,500,000."

The final refusal of the Princes to contribute further funds, rang down the curtain on the Manchu dynasty, and Yuan Shih-kai having done all in his power to redeem his pledge and defend their cause, was compelled to accept the terms offered by the republicans. Armed force, politics, reason and argument undoubtedly played a large part in arriving at an understanding, but the one great impelling force, overshadowing all others was the all important one of money. Had the Powers consented to loan Yuan and the dynasty the necessary funds, the country would still be in the throes of a great civil war and the end many years off.

REPUBLICAN FINANCES

Having dealt with the financial situation in the North, and seen how the strict neutrality requested by the Republicans, and acceded to by the Powers, was instrumental in hastening the end, it is interesting to turn to the South where the necessity for ready cash was almost as great and the neutrality law operated with equal vigor. The Republicans at the outbreak of the revolution captured the Hanyang arsenal and mint, together with the Government funds deposited in the Provincial treasury and native banks. This occurred in other provinces, as the change in Government was made, and although in many cases the ousted officials succeeded in secreting and making away with large sums of the public moneys, enough was left to carry on the ordinary expenses of Government, and forward something to Wuchang or Nanking for the campaign.

In some of the revolted provinces, the old Imperialist officials foreseeing that it was only a question of a short time, when

they too would have to go, made strenuous efforts to collect and squeeze from the people all the moneys possible before the blow fell. In this way a large proportion of the regular taxes were commuted on condition of immediate payment, and huge sums collected and secretly shipped out of the country. The Republican Government has since attempted to apprehend some of these embezzlers, and it will go hard with many, if they break their exile and return to China. The funds captured at Wuchang and Nanking, in addition to the subscriptions of patriotic merchants, sufficed to defray the most pressing needs of the revolution for the first two months. Further voluntary subscriptions from



CAPTAIN HWANG CHUNG YING,
MINISTER OF THE NAVY IN PRESIDENT
SUN'S CABINET.



YANG HSIANG MING,
VICE MINISTER OF THE NAVY IN PRESIDENT
SUN'S CABINET.

Chinese in the Straits Settlements, Java, South Sea Islands, America and elsewhere were also donated, and President Sun Yat-sen brought with him from abroad a large sum for the Republican treasury.

Under ordinary conditions the legitimate revenue from the revolted provinces would have been ample to carry on the campaign, and even allowing for the decline in trade, and paralization of general business, the decreased revenue, if honestly collected and accounted for, should have equalled what was formerly sent to Peking. This statement is based on the assumption that under the old régime, the collection expenses or

The Republican Government as yet unrecognized by the Powers, and handicapped by the neutrality embargo on foreign loans, made it impossible to secure funds from abroad on the Government guarantee. They, however, tried unsuccessfully to float two or three government loans, but found they were caught fast in the jaws of the trap set and sprung for the Imperialists.

Subscriptions from patriotic Chinese in foreign lands could not last forever. With the revenues of the provinces collected in advance, practical abolition of taxation and the impossibility of floating a foreign loan, the Republican Government would soon be reduced to the same

rolled on, for without funds to pay and feed troops, trouble would breakout sooner or later, unless they were permitted to advance on Peking and fight the issue out with the Northern army. The army on both sides were apparently ready and eager to fight, and were only restrained by lack of sufficient funds to finance active operations. But the armies existed and money had to be forthcoming.

Dr. Chen Chin-tao was compelled to follow the usual practice of unrecognized rebel governments in any other country, and levy forced contributions on the larger industrial enterprises, to be repaid in the event of success.

The South had the advantage over the



THE FIRST NATIONAL ASSEMBLY AT NANKING

TAKEN AFTER THE ELECTION OF YUAN SHIH-KAI PRESIDENT OF THE REPUBLIC.

TSAI YUAN PEI

SUN YAT SEN

GEN. HWANG HSIN

DR. C. S. BOK.

'squeeze' amounted to sixty or seventy per cent., and this would balance the loss arising from the general decline in trade. The remaining forty per cent., under an honest system of collection, would therefore equal the amount formerly forwarded to Peking. The Republicans, however, suspended the collection of taxes, and in some cases abolished them altogether. While they admit that the diminished revenues if honestly collected would have been sufficient to cover their needs, the fact that the previous authorities in nearly every province had collected the taxes in some cases for over a year in advance, made it impossible to levy further contributions on the inhabitants, without exciting counter revolution. They were therefore compelled to adopt other measures to secure funds. Although in a better general financial position than the Imperialists, their expenses were probably heavier, notwithstanding that all officials were giving their time to the cause without pay.

financial level as the Imperialists, and as in the North, the question of money soon eclipsed in importance all others. The Republicans knew that the other side would have to surrender to the inevitable through sheer financial collapse, and although facing an identical situation, they kept a stiff upper lip, worked overtime their publicity bureau, and played the game through on pure nerve and bluff.

The Imperialists and general public were led to understand that the Republican side was not in pressing need of funds, but heroic efforts were being secretly made to keep the bottom of the war chest covered. All legitimate sources of income being closed, the question of finance became extremely delicate for the Republican administration.

Property of Manchu officials and their sympathisers were duly confiscated, and compulsory loans exacted from wealthy merchants. The task of Dr. Chen Chin-tao, the Republican Minister of Finance, became increasingly difficult as the days

North, in that the majority of private Chinese industrial enterprises and stock companies had their headquarters and properties located in Republican territory. While foreign banks could not without the consent of their governments advance loans to either the Peking or Nanking authorities without breaking the neutrality, there was nothing to prevent advancing funds to a purely Chinese commercial company secured by a mortgage on their property. Such a transaction fell outside the provisions of the neutrality regulations, and became an ordinary business transaction which any bank or bankers could negotiate without reference to their government. In the South are located the following important Chinese stock enterprises:

HAN YEH PING COMPANY

Operating the Hanyang Iron & Steel Works, Ta Yeh Iron Mines and the Ping Hsiang Collieries.

CHINA MERCHANTS STEAM NAVIGATION CO.

Operating the large fleet of coastwise and river steamers, with head offices in Shanghai, and valuable wharves and godowns in all the treaty ports.

KIANGSU RAILWAY COMPANY.

Operating the railway from Shanghai to the borders of Kiangsu province at Fengchin where it connects with the Chekiang line to Hangchow.

to raise funds for the Republic fell on the companies above named. The private companies, by consent of the shareholders and directors, were expected to raise a foreign loan secured on their properties, and a certain percentage of the funds turned over to the Republican treasury as a loan to be repaid after recognition.

It is reported that a loan of Taels 1,500,000, secured on its steamships, was advanced by the Shanghai & Hongkong

the Chinese Government, known as the Shanghai-Hangchow-Ningpo Railway Loan, of which the Kiangsu Railway forms a part. The "Jiji" states that the Japanese Government in reply pointed out that a large portion of the Hongkong & Shanghai Bank's loan to the China Merchants Steam Navigation Co. was actually placed at the disposal of the Revolutionists, the inference being that the loan, although contracted with a private company and strictly within the limits of



CHINA'S TEMPORARY CAPITOL, THE WAIWUPU BUILDING AT PEKING, PRESIDENT YUAN SHIH-KAI'S HEADQUARTERS.

CHEKIANG RAILWAY COMPANY.

Operating the railway from Fengchin to Hangchow, and the line under construction from Hangchow to Ningpo.

KWANGTUNG-CANTON-HANKOW RY. CO.

Constructing and operating the section of the Canton-Hankow Railway within the borders of Kwangtung Province.

There are other railway, industrial and commercial enterprises in the south, whose properties are not sufficiently developed to permit raising a loan thereon, and were therefore not considered as available assets so the brunt of trying

Banking Corporation to the China Merchants Steam Navigation Company, some time in September last, or before the revolution broke out. It has been urged in some quarters that this loan was actually made at a later date, and with or without the knowledge of the Bank and the British Government the proceeds were used as war funds for the Republicans.

A leading Japanese paper, the "Jiji Shimpō," commenting on the later Okura Loan to the Kiangsu Railway, states that the British Government protested to Japan against the consummation of this loan, as conflicting with the British loan to

neutrality, was in reality a war loan negotiated for this purpose with or without the consent of the British Government, and therefore the Japanese Government recognizing the precedent set by Great Britain felt constrained to assume the same attitude, and permit its nationals to also advance funds to private Chinese companies, even if it were discovered afterwards that the money had been turned over to the Republican treasury. The contention as to whether the money was loaned prior to or after the outbreak is immaterial, for as far as the Bank is concerned it was a simple



WANG CHAO MING,

ELECTED GOVERNOR OF KWANG-TUNG,
BUT DECLINED OFFICE.

banking proposition of no unusual importance, and it did not concern the Bank what became of the funds after the proper security was turned over. It is quite within reason as the Directors and principal stockholders of the company were all Republicans, they would willingly negotiate a small loan for the benefit of the cause, on the condition it would be repaid with interest after formal recognition. It is certain, however, that the success attending this manner of securing foreign funds and evading the neutrality was used as a precedent for a crop of other similar propositions.

The situation created was peculiar.

The Financial Groups of Great Britain, France, Germany, and America, operating in China in harmony with their governments, had entered into an agreement to participate equally in all purely government loans. All the larger banks in China are more or less associated or allied with the Groups, so cannot take independent action. It soon became apparent that the loans to private Chinese industrial companies, while strictly legitimate on their face, in reality masked a loan to the Nanking Government, and therefore could not be entertained by any banks associated with or forming part of the Groups. If negotiated as a purely private and individual transaction, by any one of the banks, and it transpired later on that the proceeds were diverted to Nanking, it would have been a breach of faith and broken the agreement. Successful flotation of these loans therefore had to be through some independent bank or bankers, or through one of the large foreign mercantile firms.

Any member of the Banking Group desirous of advancing its special national interests by securing a loan on these valuable properties, and still keep faith with their colleagues, could readily have financed some private commercial firm to conduct the deal, and have the loan stand in the latter's name. It is a high tribute, however, to the business integrity of the Banks, that despite the opportunity offered, no attempt was made to covertly secure any undue advantage. This limited the field to the few independent bankers and the Japanese. The foreign bankers outside the Groups, with little knowledge of conditions in China, coupled with the lack of accurate data on the value of the properties involved, and the difficulty of arranging suitable terms in the time allowed, could



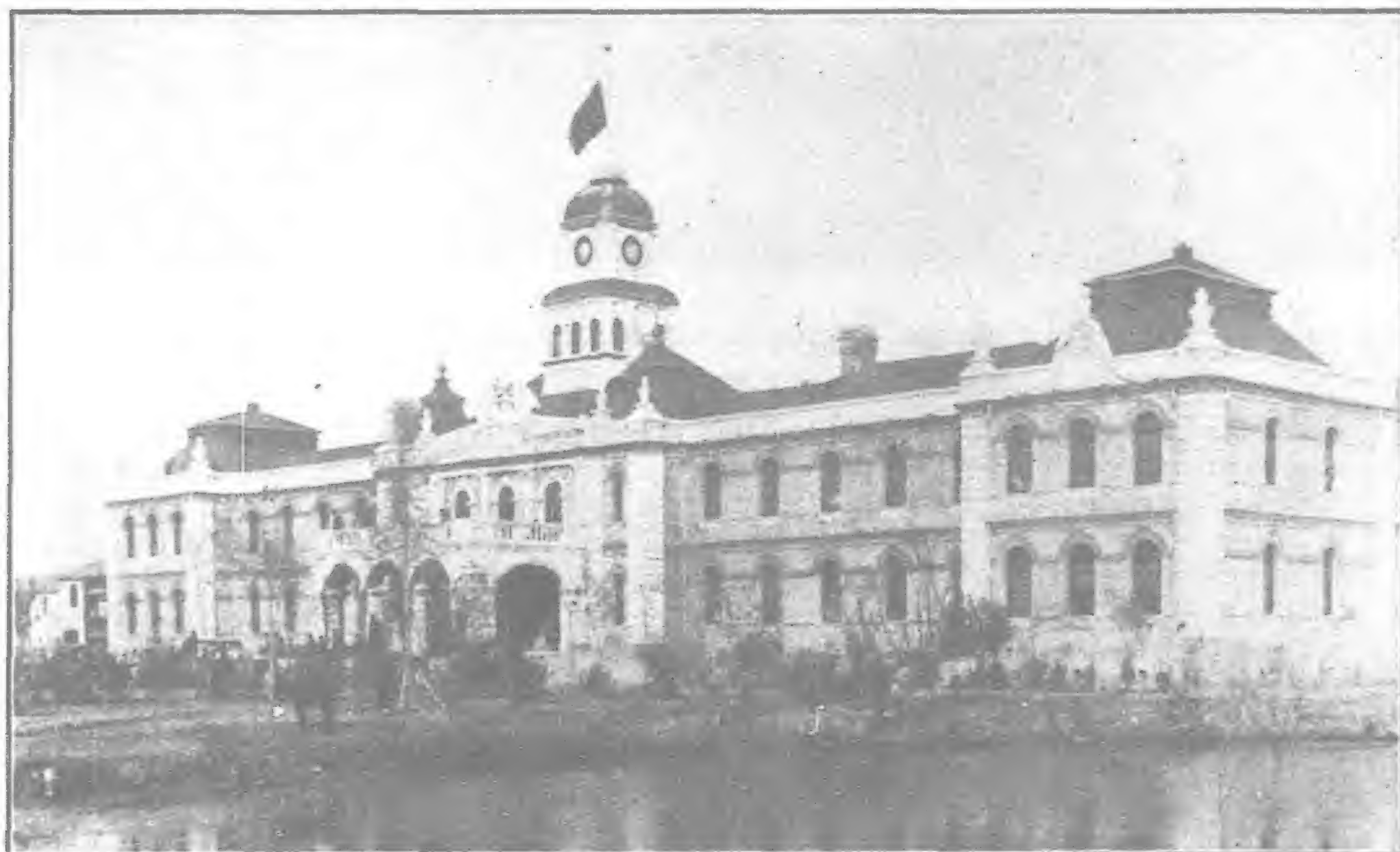
GEN. HUNG ZUNG TIEN

LEADER OF THE REPUBLICAN ATTACK ON
PURPLE MOUNTAIN, NANKING

not hope to successfully negotiate from a purely business standpoint except on very harsh terms, to which naturally the Chinese objected. The above conditions eliminated all European and American competition, and left the field clear to the financiers of the one country possessing intimate knowledge of the value of every property in China. And so the Republicans in their distress were compelled to turn to Japan. The Japanese, quick to see their advantage, lost no time in entering into negotiations, and within the short space of a month, nearly all the above mentioned properties were within their grasp.

CHINA MERCHANTS STEAM NAVIGATION LOAN

The first of these loans to be offered was an additional charge on the China Merchants Steam Navigation Company. Towards the end of January, the directors received an order from the Military Government, to the effect that a further contribution of Tls. 4,000,000 in cash would be accepted as the Company's share of the financial burden. Needless to say the shareholders received this call on their patriotism with something like a shock, and energetic protests poured in to the Directors against such arbitrary action of the Government. As the steamships were already mortgaged to the Hongkong & Shanghai Bank, the proposed loan was to be secured on the wharves, while

CAPITOL OF THE REPUBLICAN PROVISIONAL GOVERNMENT AT NANKING (THE PROVINCIAL
ASSEMBLY HALL).



HSUAN-TUNG, THE DETHRONED EMPEROR OF CHINA, AND HIS YOUNGER BROTHER PRINCE PU-CHIEH.
(THE EMPEROR IS STANDING)

THE FATHER OF THE HOUSE OF CH'UN



(From a rare photograph taken in 1885)

YI-HUAN, THE FIRST PRINCE OF CH'UN. DIED, 1891

THE SEVENTH SON OF EMPEROR TAO-KUANG, FATHER OF PRINCES TSAI-KUANG, TSAI-TIEN (EMPEROR KUANG-HSU), TSAI-FENG (THE REGENT AND HEIR TO THE TITLE), TSAI-HSUN AND TSAI-TAO. GRANDFATHER TO PRINCES PU-YI (EMPEROR HSUAN-TUNG), PU-CHIEH AND PU-KUANG

houses, and other property of the Company located in the various treaty ports valued at Tls. 10,000,000.

This proposition was placed before all the leading banks, and commercial firms, and finally settled down to serious negotiations with Japanese financiers.

The largest shareholder in the Company, Sheng Kung-pao, who was at the time in Japan endeavouring to realize on his industrial securities, may have exerted great influence in creating the situation so favorable to Japan.

There is every indication that despite the many difficulties surrounding this

loan, and notwithstanding its indisputable political character, and its undoubted evasion of the spirit underlying the international agreement and neutrality proclamations, the competition between various nations was for a time very keen. A lien on the China Merchants property, the largest purely Chinese Steamship enterprise, would give the holders, especially if secured by a competing company, a most advantageous position in the riverine and coastwise trade. For years the supremacy was held by British steamers, then German competition made large inroads on their monopoly,

and after the Russo-Japanese war, Japanese companies entered the field under Government subsidy and patronage. The latter have made keen efforts to secure a firmer hold on the trade, to the extent of exciting bitter criticisms from British interests. The news that Japanese capitalists, headed by the Mitsui Bishi Company, were ready to advance the loan of Tls. 10,000,000 to the China Merchants Company, through the agency of the Nippon Yusen Kaisha and the Nisshen Kisen Kaisha, was therefore accepted with little surprise. Both of these Japanese steamship companies receive subsidies from the state, and are

formidable competitors for the coastwise and river traffic in China. As this prospective transaction finally led to breaking the international loan deadlock in China, it will be referred to again later on.

THE KIANGSU RAILWAY LOAN.

In the early days of February, it was officially given out by the Republican Government that Okura & Co., one of the largest Japanese engineering concerns, had signed an agreement with the Kiangsu Railway Company to advance Tls. 3,000,000 at par, at 8 per cent interest, on the security of the revenues

becoming necessary. The history of the Shanghai-Hangchow-Ningpo Railway is long and complicated. The original franchise to build a line from Soochow to Hangchow and Ningpo was secured from China during the "battle of concessions" in 1898 by the British Government for the British & Chinese Corporation.

The Chinese contend that the British forfeited their rights by undue delay in complying with the terms of the concession. Although the Peking Government was largely responsible for these delays, the provincials determined to build the line with their own money. That part of the line between Shanghai and

position to the Central authorities was in reality the beginning of the movement for provincial rights leading up to and culminating in the present revolution. Notwithstanding the emphatic protest of the provincial gentry of Kiangsu and Chekiang to the floating of a foreign loan, the Peking authorities contracted a loan of £1,500,000 at 5% from the British & Chinese Corporation for the construction of this line, on the security of its revenues and the surplus earnings of the Imperial Railways of North China. The provincials threatened revolt if the funds were applied and absolutely refused to permit the British Engineers to com-



(Courtesy of Denniston & Sullivan)

THE IMPERIAL THRONE OF CHINA. (FOURTH HALL, PEKING PALACES.)

"THE DRAGON THRONE."

THE CHARACTERS ABOVE READ "THE GREAT THRONE OF LIGHT AND BRILLIANCY."

and physical property of the line. This news startled the Eastern financial world, for this line is part of the old Shanghai-Hangchow-Ningpo concession on which the British had advanced £1,500,000. That Japan should give consent to the transaction at once awakened the distrust of other nations, and especially of Great Britain, whose financiers claim a prior right to advance funds to this line in the event of a foreign loan

Fengchin, a distance of 38 miles, within the borders of Kiangsu Province, was taken up and built by the Kiangsu Railway Company, a purely native concern organized with a capital of \$3,000,000 Mexican. The section between Fengchin and Hangchow and thence Eastward to Ningpo, within the borders of Chekiang Province, was to be built and operated by a similar native company, styled the Chekiang Railway Company. This op-

mence work. At the same time the provincials were feverishly selling shares, and building the line with their own money, and finally completed the sections between Shanghai and Hangchow, thus effectively frustrating British construction under the terms of their loan agreement. But the loan was made and the terms were binding and Peking had the proceeds, which were re-loaned out to native banks at a higher rate of inter-

est. As the loan had the Imperial sanction and guarantee, and was amply secured by the surplus earnings of the Imperial Railways of North China, the bondholders were quite safe. The British have never abandoned hope of securing ultimate control, and have bided

ces against their wishes, that they refuse to entertain any proposition for a British loan, if the line is never fully completed to Ningpo. On the other hand, the British entered into the loan agreement with the Imperial Government in good faith, and have diplomatically endeavoured to

loan, the agent of the British Corporation again endeavoured to advance the funds, on the condition that the old loan be recognized and applied. The Chinese, however, refused to listen. Under the terms of the international group agreement a British loan at this time would



(Courtesy of Denniston & Sullivan.)

TSU-HSI-TUAN-YU-K'ANG-YI-CHAO-YU-CHUANG-CH'ENG-SHOU-KUNG-CH'ING-HSIEN-CH'UNG-HSI.
HER MAJESTY, THE LATE EMPRESS DOWAGER OF CHINA.

their opportunity knowing that it was only a question of time when the Chekiang funds would run out, and an attempt made to borrow from abroad. The Chekiang and Kiangsu gentry are, however, so incensed at the attempt of Peking, to force the loan on the provin-

overcome the antagonism of the provincials, and have the old loan applied for the construction of the uncompleted section between Hangchow and Ningpo, a distance of about 112 miles. When it became known that the Kiangsu and Chekiang Companies were in the market for a

entitle America, France, and Germany to equal participation, unless the Chinese consented to the funds being applied under the old purely British Loan Agreement. The Chinese refused to entertain the British overtures which called for the recognition of principles against

which they had fought for several years. The American, French, and German Groups out of courtesy to their ally were debarred from considering a loan to these Companies, and it left the field open to independent bankers and the Japanese. Okura & Company, acting entirely on their own initiative, and apparently without consulting the wishes of the Japanese Government, lost no time in accepting the proposition of the Kiangsu Railway Company for a loan of Tls. 3,000,000 at par at 8 per cent and paid over Tls. 1,000,000 on signing the agreement. In other words the Kiangsu Railway Company was able to float a loan equal to its full capitalization and full value of the line.

Government could not interfere with private capitalists accepting a loan on their own responsibility. The Okura loan was a purely economic investment in a railway company and not a loan to supply the Revolutionists with war funds, and the Government had no means of knowing if the proceeds of the loan would go into the coffers of the Revolutionists after delivery. The British Government again wrote that the trouble between the Chinese railway company and Great Britain remained unsettled and Japan's participation would complicate matters. It was therefore desirable that the Government should endeavour to suspend delivery of the loan until the relations between Great Britain

The traditional rights of the Britishers had been set aside for the present without great opposition and the precedent facilitated the flotation of a loan to the Chekiang section, and negotiations were accordingly entered into by another Japanese concern. The Chinese, however, became uneasy at the thought of the complete line coming under Japanese influence, and the Chekiang Company refused to accept the terms of the Kiangsu Agreement, and endeavoured to interest American or Continental financiers.

The Chekiang Railway Company had been organized with a nominal capital of Tls. 24,000,000 of which Tls. 10,000,000 was actually paid in to construct the line from Fengchin to Hangchow and thence



TWO ORIGINAL PICTURES OF THE LATE EMPRESS DOWAGER.

The "Jiji Shimpō" is authority for the statement that the loan was subsequently revoked owing to a protest raised by the British Government, which pointed out that the revenue of the Shanghai-Hangchow-Ningpo railway, which formed the security for the Imperial Chinese Government loan, on this property, had already been hypothecated to Great Britain. The Japanese Government in reply pointed out that a large portion of the Hongkong & Shanghai Bank's loan to the China Merchants S. N. Co. was actually placed at the disposal of the Revolutionists. While the Government respected the international agreement, the

and the railway company had been defined. The Government accepted the proposition and agreed to suspend the payment of the second and subsequent instalments of the loan.

THE CHEKIANG RAILWAY LOAN.

The success of the Kiangsu Railway Company in raising funds paved the way for the Chekiang Railway Company to do likewise, and accordingly negotiations were opened with various bankers and commercial firms. As part of the Shanghai-Hangchow-Ningpo concession the same political conditions were present as in the Kiangsu proposition.

to Ningpo. The shareholders were given a guarantee of seven per cent. on the paid up value of their shares, this constituting a first lien on the revenues and property. The word "shares," as employed in the reports of this Company, is misleading as the so-called shares are in reality debentures with a priority over any future loans.

Of the Tls. 10,000,000 (\$6,000,000 gold) actually paid in, Tls. 8,860,000 were expended in the construction and equipment of the 78 mile section between Fengchin and Hangchow, and the balance on the section between Ningpo and Shaoshing were 60 miles of earthwork



HER MAJESTY, THE LATE EMPRESS DOWAGER OF CHINA,
IN VARIOUS COURT COSTUMES.

and about 11 miles of track and bridge work are fully completed.

The gross receipts for the last working year approximated Tls. 600,000 and the operating expenses Tls. 400,000, leaving a surplus of Tls. 200,000. In order to pay the guaranteed 7 per cent. on the Tls. 10,000,000 in shares, the directors had to advance Tls. 500,000 last year to meet the deficit.

The Directors of the Chekiang Railway Company proposed a foreign loan of Tls. 4,000,000 secured on the entire line and

revenues, for the purpose of completing the Ningpo-Shaoshing section. The receipts from this section when completed and in operation were estimated at Tls. 930,000 which would bring the total earnings up to Tls. 1,500,000, with only an increase of Tls. 200,000 in operating expenses or a total of Tls. 600,000 for operating the two sections. The estimated surplus of Tls. 900,000 would have been ample to cover the service of the loan, and provide for the payment of the 7 per cent. guarantee to the shareholders.

If the loan would have been strictly applied to the purposes of constructing the Shaoshing section, and not diverted to the Republican treasury, and providing that it was given priority over the guaranteed shares, and proper safeguards could have been given in the event of default, there might have been some incentive for foreign bankers to go further into the matter. But the utter lack of reliable information as to the finances and value of the property, coupled with the many criticisms against its management, and the



THE LATE EMPRESS DOWAGER AND LADIES OF HER COURT.



THE LATE EMPRESS DOWAGER AND COURT LADIES

THE EMPRESS DOWAGER IN THE CENTER. ON HER RIGHT HAND THE EMPRESS LUNG-YU, CONSORT OF KUANG HSU, AND HIS SECOND WIFE HER HIGHNESS, JEN FEH. ON THE EMPRESS'S LEFT IS THE LADY SIGURGA, THE FOURTH DAUGHTER OF THE PRINCE OF CH'ING. IN THE RIGHT FOREGROUND STANDS THE CHIEF EUNUCH, LI LIEN-YING, OPPOSITE HIM IS THE SECOND EUNUCH, TS'UI YU-KUEI. OTHER EUNUCHS COMPLETE THE GROUP



THE LATE EMPRESS DOWAGER AND HER FAVORITE ATTENDANTS

THE EMPRESS DOWAGER IN THE CENTER WEARING THE FAMOUS PEARL CAPE

From right to left: HER IMPERIAL MAJESTY, THE EMPRESS LUNG-YU, THE CONSORT OF KUANG-HSU AND PRESENT EMPRESS DOWAGER, (this is the best picture of Her Majesty, yet taken); LADY YU-KENG, THE WIFE OF THE LATE CHINESE MINISTER TO FRANCE, AND HER TWO DAUGHTERS, THE LADIES YU, FIRST AND SECOND COURT LADIES TO THE DOWAGER. ON THE LEFT IS HER HIGHNESS, JEN FEH, THE SECOND WIFE OF THE LATE EMPEROR KUANG-HSU.

shortness of time allowed, made negotiations with reputable foreign bankers impracticable. The possibility of opposition by the superseded British interests also loomed large as a factor against its success. It finally dawned on the Chinese, that outside of Japan, there was no hope of negotiating a loan on this property except with the British Corporation, and they abandoned the idea of a foreign loan, and decided to make another appeal for funds amongst their countrymen in other parts of the world. A delegate of the Company has started for the South to enlist the financial support of the Chinese in the Straits to this and other industrial enterprises. It seems quite clear that the protest of the British Government against the Okura Loan, taking the stand that the rights of the British

amply secured by the surplus earnings of the Imperial Railways of North China, which now average \$9,000,000 Mexican per annum. If politics are eliminated from this problem and it is considered as a purely financial proposition, the loan can very well remain in its present status, as the bondholders are fully protected by the guarantee of the Imperial Railways of North China.

HAN-YEH-PING CORPORATION "LOAN."

At the same time as the negotiations for the China Merchants, Kiangsu and Chekiang Railway Loans were being carried on through Japanese capitalists, another large financial deal was in progress for the transfer of the Han-Yeh-Ping enterprises to joint Japanese and Chinese control, terminating on January 28th,

The Tayeh iron mines are located on the right bank of the Yangtze, 67 miles below Hankow, and consist of Tieh-shan, Shihze-shan and Laniao mines. The annual output totals 1,000,000 tons and the mines are so rich that it is estimated they will last some two hundred years. A railway has been built for twenty miles to the river bank to facilitate transportation. The ore is said to contain 62-63 per cent of iron. The Hanyang Foundry is located at the foot of Tapiehshan, and is equipped with thoroughly modern appliances capable of turning out 140,000 tons of pig iron and 70,000 tons of steel. The pig-iron turned out in 1910 reached a total of 130,000 tons. The Pinghsiang coal mine is located at Pinghsiang in Kiangsi Province. A colliery railway runs to Chuchow to facilitate transportation. Over three thousand miners are employed and the annual output amounts to some half a million tons. The quality of the coal is also fit for the manufacture of coke.

In the early days, Chang Chih-tung raised a Tls. 3,000,000 loan from Germany for the working of the iron mines and the business was entrusted to the management of Germans. Subsequently the loan was repaid and the business was transferred to the hands of Chinese. About Tls. 10,000,000 of Government money were invested in the enterprises, but owing to unskilful management the concern was run at a loss. Sheng Hsuan-huai then paid to the Government Tls. 500,000 and secured control of the business. The Pinghsiang coal mine was also worked jointly by Chang Chih-tung and Sheng Hsuan-huai with Tls. 1,000,000 of Government funds, but a 3,000,000 loan was raised from Germany and Ger-



THE LATE EMPRESS DOWAGER IN HER SEDAN CHAIR, CARRIED BY HER EUNUCHS

Corporation were still awaiting adjudication, will tend to re-open the perplexing question of provincial rights, and again bring the provinces and the Republican Government into conflict. Chekiang and Kiangsu provinces have built the railways with their own funds, and are still stubbornly opposed to any foreign or Peking interference with their rights. The re-opening of this delicate point has apparently fixed the determination of the Chekiang people, to make any sacrifice rather than submit to further interference in their affairs. It would seem that the most diplomatic solution to this problem would be to have the loan applied to the construction of some other new line, or a new loan agreement drawn up for another purpose. The Chinese point out that the loan is

with the signing of a provincial agreement at Tokio.

This important Corporation is formed by the amalgamation of the Hanyang Iron & Steel Works located at Hanyang (Hankow), the Pinghsiang Coal Mines in Kiangsi Province, and the Tayeh Iron Mines. The Tokyo Asahi, commenting on the agreement, publishes what is undoubtedly the official history of the Japanese financiers.

"Reviewing the history of the Company the Tokyo Asahi says that it is formed by the amalgamation of the Hanyang Iron & Steel Works, the Tayeh Iron Mine, and the Pinghsiang Coal Mine. Some years ago, a discovery was made by the late Chang Chih-tung of the existence of rich iron ore in Tayeh. The mines were worked with the assistance of Sheng Hsuan-huai and a Steel Works erected at Hanyang. Subsequently the coal mines at Pinghsiang were worked to supply the foundry with coke, capital being raised by public subscription. The company afterwards passed into the sole management of Sheng Hsuan-huai, who amalgamated the three concerns with a capital of Tls. 20,000,000 when the enterprise was converted into a purely private undertaking.

man experts were employed. The capital was increased until the sum invested eventually reached Tls. 6,000,000. Simultaneously with the transfer of the Tayeh Iron mine and the Hanyang Foundry to Sheng Hsuan-huai, the coal mine also passed into his hands. The three concerns were then amalgamated. According to the estimate of a foreign expert the Hanyang Steel Works is appraised at Tls. 12,000,000, the Tayeh Iron mine at Tls. 11,000,000 and the Pinghsiang coal mine at Tls. 2,000,000, altogether amounting to Tls. 40,000,000.

Japan had contributed not a little to the present prosperity of the gigantic enterprise. When the Government Steel Foundry was first established in Wankamatsu in 1902, a contract was signed for the purchase of iron ore for a period of fifteen years. Two years later, that is, in 1904, Tls. 3,000,000 was advanced to the Company by a Japanese Bank, and since that time advances have repeatedly been granted by the Specie Bank, Industrial Bank, the Mitsui Bank, Okura & Co and others, until the outstanding loans now amount to some Yen 9,000,000. In fact all the working capital had been and is still being supplied by Japanese capitalists. Sheng Hsuan-huai had a desire to transfer the business to joint enterprise with Japanese capitalists, but the Chinese law then in force obstructed the scheme. When Sheng's political enemy, Yuan Shih-kai, came into power, Yuan attempted to charge Sheng with embezzlement of Government money, so as to confiscate the enterprise. Yuan's downfall saved the Company from the impending danger, and when Sheng rose into power, he enacted a law enabling commercial compa-

nies to introduce foreign capital to the extent of one-half of their authorized capital, and thus a path was paved for the joint enterprise. The sudden outbreak of the Wuchang insurrection compelled Sheng to take refuge in Japan. The Revolutionists are now attempting to accomplish what Yuan Shih-kai left undone, that is, to confiscate the Company's property in order to raise war funds. Sheng's property was thus again imperilled. As this was calculated to affect the interests of the Japanese creditors, the parties in concern met in conference, and as a result it was decided to pay to the Revolutionists the sum of Yen 5,000,000 to get the restraint removed and at the same time to place the company under the joint enterprise of Chinese and Japanese capitalists.

The conditions of the joint enterprise are not yet known, but it is not very difficult to guess at the terms. The authorized capital of the Company is Tls. 20,000,000 of which Tls. 18,000,000 is paid up. Of the latter sum Tls. 5,000,000 is to be paid to the Revolutionists, so that the actual capital invested will be Tls. 13,000,000. Japan's loan amounts to yen 8,000,000 as stated elsewhere, and Tls. 5,000,000 payable to the Revolutionists will in all probability have to be paid by the Japanese capitalists which brings up the total loan to about Yen 13,000,000. The Chinese capitalists will, therefore, pay in Yen 2,000,000 to bring up the total capital to Yen 30,000,000 each side thus contributing one-half of the capital."

The Han-Yeh-ping financial deal appears to have been undertaken by Sheng-Kung-pao, in order to prevent the confiscation of his properties by the Republican Government. It will be remembered that it was Sheng's railway policy which precipitated the present revolution. The Republicans have him on the black list, and the confiscation of his various properties has been urged several times as a means of securing funds for the treasury. The fear of confiscation undoubtedly prompted Sheng to negotiate a deal giving control to the Japanese, and to contribute Tls. 5,000,000 to the Republican Government as a peace offering, under the specious excuse of protecting the property.

Sheng's plight is an unhappy one. Although foreign opinion may sympathise with him for being made the scapegoat of a policy which appeared justifiable at the time, his countrymen in the South, are bitterly resentful and vindictive for his disdainful disregard for their rights.

YUEH HAN RAILWAY LOAN.

In the early days of February, the shareholders of the Kwangtung section of the Yueh-Han (Canton-Hankow) Railway held an extraordinary meeting at Canton to consider the proposal of the Nanking Government to raise a loan of Tls. 10,000,000 on the completed section of their line. Although some opposition was manifested, it was finally agreed to consent to the scheme, and leave the amount and conditions of the loan to be decided by the Nanking authorities. Negotiations for this loan, however, proved abortive, owing to the complicated question of provincial and British rights involved. It will be remembered that the money paid by China to the American-China Development Company for the cancellation of the original Canton-Hankow concession was advanced to Viceroy Chang Chih-tung of the Hukwang provinces by the Hongkong Government, through the instrumentality of Mr. Fraser, then British Consul-General at Hankow. Although the Loan Agreement for £1,000,000 is a formal business document without any political clauses, Viceroy Chang in a separate letter to Mr. Fraser compromised the Chinese Government to give British financiers the preference in the event of for-

eign funds becoming necessary to build the line. The history of the subsequent loan negotiations finally resulting in the Four Powers combining to advance these funds, is of too recent date to detail in full here. But it is a significant fact that in the Hukwang Loan Agreement the British Section southwards from Wuchang terminates at the Kwangtung border. The line traversing this province is to be built by the Chinese themselves, so as to prevent complete British domination of a through trunk line from Wuchang to Kowloon. In case the Cantonese resort to a foreign loan to complete their section, the old compromise of the Viceroy of another province, still militates against independent action, and compels them to turn to Great Britain. And as it is contrary to settled Chinese policy to permit British control of the through system, another delicate question is created.

The Agreement of the Four Power Groups would undoubtedly cover any loan to this section, and internationalize the line. From the viewpoint of the Cantonese Railway Company, a purely private corporation, it is debarrd from independent action in floating a loan by the provisions of an old letter given by the Viceroy of another province. Granting that he had the Imperial sanction to make the promise, it is only another instance where the Imperial Government interfered with provincial rights. If the promise held out in Chang Chih-tung's letter to Mr. Fraser is still maintained by Great Britain as binding on the operations of a purely commercial stock company of another province, and any loan negotiation on its part be confined to British Corporation, the old sore will again be opened. As it is, matters are at a deadlock. If a loan must be raised, the Cantonese insist on their right as a private company to negotiate for it in the open market.

Although on its face, a loan to the Yueh Han Railway of Canton is impossible of flotation until such time as these questions are solved, yet we find that the Japanese and Russian press immediately circulated the report that the Standard Oil Company had offered to advance the Tls 10,000,000 on the security of the line.

THE TUNGKUANSAN MINING DEAL.

During February, negotiations were opened by the Chinese mining authorities of Anhui with Japanese financiers, with a view of forming a joint combination to work the Tungkuanshan Copper Mines of the old Sir Lisker Kaye Concession.

The copper mine was originally discovered by an English expert. An Anglo-Chinese syndicate acquired the mining rights in June 1908 from the Deputy-Viceroy of Anhui Province, and the work was started with a capital of £12,000 sterling. Shortly afterwards, the Mitsui Bussan Kaisha joined the syndicate, contributing £3,000 sterling to the working capital. In the meantime the rights-recovery agitation was

started, and the people of Anhui made strenuous efforts to recover the mine. Both the British and Japanese Governments lodged a strong protest against the movement, but eventually the mine was restored to the people of Anhui, the British and the Japanese capitalists interested receiving £52,000 sterling. The matter was thus settled after three years' trouble, during which time the people of Anhui had to raise a loan amounting to four million taels to finance the movement. It was in February, 1910, when the matter was settled. Simultaneously with the restoration of the copper mine the authorities and people of Anhui established a Mining Company with a capital of \$2,200,000 silver, to be raised in the province, of which \$1,000,000 silver was to be devoted to working the copper mine. The plan was to work the coal mine first and then the copper mine. Preferential shares were issued for \$500,000 and ordinary shares for the balance. The shares were not transferable to aliens, and payment of 8 per cent interest was guaranteed for the preferential shares. Nothing, however, has been heard of the scheme since, and it is supposed that the company failed to raise the prescribed capital. The company has now made the Japanese capitalists a proposition to work the mines under joint enterprise.

The value of the mines needs careful investigation. The quantity of coal is unascertainable as it has not yet been surveyed, but it is not difficult to form a tolerably accurate estimate of the Tungkuan copper mine. The official report issued by the Anglo-Chinese syndicate in December, 1903, shows that the copper mine is located in Tunglung district, Anhui, about 3½ miles from the banks of the Yangtze, which affords every facility for transportation. The mine covers a large area, extending for nearly twenty square li, and is estimated to contain about 10 million tons. The working expenses do not exceed 2s. 6d. a picul and thus the net profit was estimated to amount to over three shillings, after deducting 3½d. per ton payable to the Government in the form of mining tax. The mine was thus described as very hopeful. Many experts, however, regard the report with some suspicion, seeing that the syndicate abandoned its claim on the mine for a paltry compensation of £52,000.

This attempt to raise immediate funds in Japan for working this mine failed, as such a proposition would necessarily have to undergo a searching investigation at the hands of mining experts. This takes time, and as the Anhui people needed the funds quickly, it came to naught.

THE KIANGSI RAILWAY LOAN

The Kiangsi Railway Company, whose funds for constructing the line from Kiu-kiang to Nanchang were exhausted after purchasing a large amount of material, and building only a few miles of permanent way, again made an effort to enlist



THE REGENT AND THE EMPEROR



PRINCE CHUN (TSAI FENG)
THE ABDICATED REGENT AND FATHER OF THE EMPEROR



PRINCE TSAI-HSUN
FORMERLY IMPERIAL MINISTER OF THE NAVY



PRINCE TSAI-TAO
FORMERLY COMMANDER-IN-CHIEF OF THE IMPERIAL GUARDS
THE SONS OF THE PRINCE OF CHUN



THE IMPERIAL FAMILY

THE EX-EMPEROR OF CHINA AND HIS FATHER, THE REGENT



THE EX-EMPEROR AND HIS FATHER AND MOTHER, THE PRINCE AND PRINCESS OF CHUN

foreign financial assistance. The construction of the road is under a Japanese engineer, and the Company have already received an advance from a Japanese firm. The lack of information, and the reticence of the provincial shareholders concerning their enterprise, and the inability to give suitable guarantees, has made it impossible to float a foreign loan for the last two years though it is understood that Okura & Co. of Japan were arranging for a large loan to complete the line.

THE FUKIEN RAILWAY

The Fukien Railway Company, constructing the line from Amoy to Changchowfu, also re-organized their affairs, and under a new and more progressive president, are in the market for a loan. The rolling stock and materials for the construction of the short section in operation, as well as the rails and bridges for other sections, were largely of American manufacture, purchased from an American concern in Shanghai. On learning of the reorganization of the company, this firm approached the directors and officials with the view of securing further contracts for materials. From this circumstance the Japanese have evolved a great imaginative American scheme to monopolize the resources of the province.

It is a remarkable coincidence that both Russian and Japanese publicists are always seeking some hidden motive for American activity in China, and manufacture out of whole cloth the most as-

tounding reports of American designs on Chinese integrity. These reports invariably name The Standard Oil Company, as the medium through which the financial deals or loans for the American monopolization of Chinese resources are to be negotiated. Both Japanese and Russian editors, not versed in American Corporation law, are apparently unaware that the Standard Oil Company does not, and can not under the terms of its Charter make loans of such a nature. And if the Corporation was in reality interested in advancing funds to China the negotiations would undoubtedly be entrusted to the National City Bank of New York, an institution controlled by the Standard Oil Company.

This bank is, however, a member of the American Group, and allied with the European groups operating in China, and there is no evidence whatever of their having even considered a loan to Fukien Province or to the Canton Hankow railway. The "Japan Mail," however, is authority for the following article, which is interesting, if true, and throws a further sidelight on the activity of Japan's capitalists doing the financial stress of the revolution.

Taking advantage of the financial distress of the Magistracy of Fukien province, American capitalists are reported to have for some weeks past been making strenuous efforts to lend \$12,000,000 on the security of the railway and mining rights in that province. The people of Fukien, according to the Tokyo Asahi, have now approached Japan with a proposal for a loan of \$5,000,000 which has caused American capitalists to renew their efforts. The Americans have for a long time past been casting covetous eyes on Fukien province, and have established there schools, churches and hospitals to curry favour with the people! When the revolutionary insurrection broke out, the teachers of the

movement were graduates or students of these American schools, and the American authorities extended to them all possible convenience. When the walled town of Fuchow fell into the hands of the revolutionists, the American warships in the harbour all dressed in honour of the occasion. They tried to make the Fukien people believe that the Japanese had ambitions in that province and that the Fukien people could rely on the support of the United States to give a check to Japan's ambitious designs. This action gave rise to various speculations, and it was suspected that the Americans had some end in view. This suspicion was confirmed by the American loan movement towards the end of last month. American capitalists placed before Chen, Chief of Foreign Affairs of the Fukien Government, on behalf of the Standard Oil Company, a proposal for a loan of \$12,000,000 on the security of the railway and mining rights in that province. As the leaders in the Magistracy consist mostly of pro-Americans, the loan negotiations promised to make favourable progress, but Yeh Chung-lu, Director of the Fukien Railway, raised strong opposition and the authorities and citizens of Fuchow and Amoy joined him and vehemently attacked the Magistracy, which was thus compelled to suspend the negotiations. Financial difficulties, nevertheless, have become so keen that the Magistracy finds it has no alternative but to resort to a foreign loan. Public opinion is in favour of raising the loan from Japan, with whom the province has close relations in political, as well as financial matters. Accordingly, the Mitsui Bussan was approached with a proposal for a loan of \$5,000,000. The Mitsui Bussan, however, refused to comply with the request, inasmuch as it found it rather difficult to accept the loan single-handed and also because it was thought unwise to incur the enmity of the United States. The Magistracy is endeavouring hard to raise the loan in Japan. The news came to the Americans as a surprise and they have started a desperate movement to induce the Magistracy to sign the loan contract.

WUCHANG COTTON MILL LOAN

The rich antimony mines in Hunan were at one time offered as security for a loan to be used for the Republican Government, and the cotton and woollen factories at Wuchang formed the security for another proposed loan for the Wuchang authorities.

The "Osaka Mainichi," one of the best informed newspapers of Japan, is authority for the following statement which



PRINCE YU-LANG

RECENT COMMISSIONER OF THE IMPERIAL GUARDS



THE PRINCE OF CHUANG

ONE OF THE EIGHT PRINCELY FAMILIES



PRINCE TSAI-CHIH

SON OF YI-CHI, WHO WAS 3rd SON OF EMPEROR TAU-KUANG; ADOPTED BY HIS UNCLE, YI-WEI, FIRST SON OF THE EMPEROR. HE IS THE FATHER OF PRINCE PU-LUN

PRINCE NA (NAVENT'U)

A PRINCE OF THE FIRST ORDER AND DZASSAK OF THE KHALKA MONGOLS. GRAND CHAMBERLAIN OF THE COURT, AND LT. GEN. OF THE BORDERED YELLOW BANNER CORPS. ONE OF THE MOST POWERFUL PRINCES OF THE LATE REGIME

would establish the fact that these negotiations were successful and the mills now pledged to Japanese Capitalists.

"The Hua Hsuan Spinning Mill at Shanghai and the Wuchang Spinning and Weaving Mills have been placed under the control of the Mitsui Bussan Company, which will in future manage them. This line of business has been extensively carried out in India and the Mitsui Bussan is following that example. There is no doubt that the gradual tendency in the spinning industry in China is towards joint Sino-Japanese undertakings. The Mitsui Bishi Company is purchasing the Chen-Hua Spinning Mill at Shanghai, a concern operating 21,776 spindles, to which another 40,000 will be added by the new owners.

The following Chinese mills have been acquired by Japanese interests, either completely or as managers: The Shanghai Spinning Mill (Mitsui); The Santai Spinning Mill (Mitsui); Jih Hsin Spinning Mill (Japan Cotton Spinning Mill Company); Nai Wai Spinning Mill (Nai Gai Cotton Spinning Mill Company); Wuchang Spinning and Weaving Mills (Mitsui); Chen-Hua Spinning Mills (Mitsui), totalling 150,000 spindles."—*Reuter.*

SHANGHAI ELECTRIC LIGHT LOAN

The activity of Messrs. Okura & Co. resulted in their also taking over the Native City Electric Light and water works at Shanghai.

About March 2nd the "Yorodzu Choho" reported that Messrs. Okura and Co. concluded a loan contract for the sum of yen 500,000 with the Chinese company undertaking waterworks and electric light enterprises in Shanghai, on security of the whole property of the company. The term of redemption is fixed at three years and the loan has already been handed over to the company. The capital of the company is over Tls. 1,000,000. The face value of shares is Tls. 50 and the quotation is now over Tls. 60. Business is mostly confined to the extended concession and has a very promising future."

HANKOW NATIVE CITY LOAN.

Early in February negotiations were opened by the Republican authorities at Wuchang, for a loan of Tls. 15,000,000 to be applied to the reconstruction of the native City of Hankow, destroyed by the Imperialist troops. This loan was to secure on the excise and other municipal taxes of the Wuhan Cities and guaranteed by the Republican government.

The plan embraced the construction of 30,000 new houses and a new Bund, with warehouses, office buildings, wharves, broad roads, and other commercial facilities.

Thirty four roads will be laid out. The land owners will contribute ten per cent. of their acreage for these highways and for sites for public buildings and parks.

Prospective merchants and land owners will be permitted to use the funds realized in this way for building purposes, pledging their land as security for repayment within a prescribed time.

It is estimated that Tls. 3,400,000 will be needed for the road work.

This loan still hangs fire, and will probably be covered into the general loan for reorganization by the Central Government.

KAIPING LANCHOW COAL MINE DEAL.

Following the example set by the Republicans at Nanking, Yuan Shih-kai endeavored to raise funds on the security of Chinese industrial enterprises in the North, and selected the Lanchow Mining Company as the most promising asset which to raise funds. The Lanchow Coal Mining Company is a Chinese semi official concern organized with a Capital of Tls. 2,000,000, of which Tls. 500,000, was subscribed by the Viceroy or Government of Chihli Province, for the express purpose of competing with and embracing the operations of the Chinese Engineering and Mining Company controlling the adjacent Kaiping Collieries. Much bitter feeling has existed over the control of the Kaiping coal fields for some years, and the amalgamation of the two companies as the outcome of Yuan Shih-kai negotiations terminates one of the most interesting complications in China's industrial history.

The Kaiping coal mines are worked by the Chinese Engineering & Mining Company, an Anglo-Chinese corporation with a capital of £1,000,000. The total output is now estimated at 35,000 tons a week. A harbour has been constructed at Chinwangtao to facilitate the transportation of the product, and four colliers are now on the Chinwangtao-Shanghai service. The Corporation has branch offices in Tientsin, Taku, Chefoo, Shanghai and other important seaport towns, and its product is monopolizing the coal markets in North China. The Corporation was first started by the late Li Hung-chang some three decades ago with native capital of Tls. 1,200,000. At first the business was run at a loss, so that a loan of Tls. 700,000 had to be

raised to make good the deficit. After that the enterprise gradually began to prosper, and the Corporation was reaping considerable profit at the time of the Sino-Japanese war. At the crisis of the great upheaval in North China, owing to the Boxer trouble, Cheng Yingmow, the president of the Company, converted it into a British corporation and had it registered at Hongkong in order to prevent its seizure by a foreign power. The total capital was increased to £1,000,000, of which £625,000 was subscribed by British and Belgian capitalists, and the corporation thus passed under foreign management. After the restoration of peace, the Chinese capitalists made a futile attempt to recover the mine, and the dispute led to a lawsuit in the law courts in London, when a decision was given in favour of the British capitalists. With a view to minimize the profits made by the Corporation, the Chinese capitalists established the Lanchow Coal Mine Co. in the immediate neighbourhood of the Kaiping mine, with a capital of Tls. 2,000,000, Tls. 500,000 of which was subscribed by the Viceroy of Chihli province and the remainder raised by public subscription. The mines were equipped with German machinery and later, when in financial difficulties, a loan equal to its capital was made with a German bank. Later a dispute arose between the two companies regarding the boundary of their coal fields, and the rights-recovery fever then running high amongst the people of Chihli province, relations were strained for a time. Viceroy Chen of Chihli province then proposed to purchase the Kaiping mine at £1,500,000 to put a stop to the international dispute, but the insurrection broke out before the negotiations were concluded. Yuan Shih-kai tried to raise a war loan of Tls. 10,000,000 in England on the security of the Lanchow mine, but the proposal was eventually dropped owing to the people of Chihli province. Yuan Shih-kai then dispatched Tuan Chi-kuei to negotiate the amalgamation of the two corporations, increasing the capital of each Company to £1,000,000 sterling. Tuan succeeded in his mission and it was decided to raise in England a loan of Tls. 2,000,000 to bring up the capital of the Lanchow coal mine to £1,000,000 sterling, the proceeds to be appropriated to the finances of the new Government. Thus the two richest coal mines in China have practically fallen into the hands of British capitalists.

THE AUSTRIAN LOAN TO YUAN SHIH-KAI

Early in February, Yuan Shih-kai succeeded in raising a small loan, through the agency of Arnhold, Karberg & Co., to tide him over until after the abdication, which at that date was assured. This was a Chinese Government 6 per cent loan of £300,000 issued at 95 and redeemable in five years. It was originally proposed that the interest and sink-

ing fund be secured by the duties on wine and tobacco in the Province of Chihli, but it was modified and it is understood was ultimately secured on the Pekin Octroi, or tax on eatables in the city of Peking, producing a revenue of Taels 800,000 per annum. The particulars of this loan have not been made public in China, but it is known that the full amount was paid over to the Chinese authorities in London, through the Austrian Ambassador, on February 8th, against delivery of treasury certificates. According to Austrian newspapers this loan contract contains a clause by which the Chinese Government will place with the Skoda Works, during the life of the loan, orders for war material to the full amount of the loan.

JAPAN'S OPPORTUNITY

The purpose of describing at length the larger loan propositions to private Chinese companies, is to bring out clearly the importance of the enterprises, and the advantage accruing to any one foreign country by acquiring liens thereon. By the fact of the financial groups working in harmony with their Governments, and the monopoly of support tendered to them by their Foreign Offices, competition was practically frozen out. Any independent banker entering into loan negotiations with the recognized authorities at Peking, or with the purely private commercial companies in the South did so at his own risk, without hope of support or sympathy from his Government. As no patriotic financier could afford to risk the certain opposition and criticism of his own Government, a clear field was assured the semi-official groups, whenever the time was ripe for action. The loan field was therefore temporarily closed to all except the Japanese. Their intimate knowledge of industrial and railway enterprises in China, and the fact that all negotiations were with private companies, give them a peculiar legitimate opportunity to expand their influence, without conflicting with the neutrality proclamation. They very naturally accepted the opportunity, and if not interfered with, would have secured liens on properties of the China Merchants Steam Navigation Company, the Kiangsu, Chekiang, Kiangsi, Fukien and Yueh-Han railways, the immense Han-Yeh-ping steel, coal and iron enterprises, as well as the antimony mines in Hunan and the Tungkwanshan copper deposits of Anhui. In fact, nearly every loose industrial proposition other nations had wrangled over for years was within their grasp.

Dating from the first of February, the financial stringency at Peking and Nanking was daily becoming more acute. The Imperial Government was without funds, and the Republicans hard pressed to meet their current expenditures. The foreign Governments and their financial allies held strictly to the neutrality and opposed the loan operations of independent bankers. So with all doors closed



THE CELEBRATED STATESMAN AND REGENT OF
THE LAST GENERATION.
YI-HSIN, THE PRINCE OF KUNG.



PRINCE P'U-JU,
BROTHER OF THE PRINCE OF KUNG AND COUSIN
TO THE EMPEROR.

to them in their hour of need, and realizing the full import of their actions, the Republicans turned to Japan, the one country whose financiers were ready and willing to negotiate with the private companies without inquiring too closely into the final destination of the funds.

The edict of abdication vesting Yuan Shih-kai with provisional powers in the North was issued and signed on Feb. 12th. The Provisional President at Nanking announced to the world his determination to resign as soon as Yuan took the oath of office. The country was united, and only the inauguration formality remained to obtain the recognition of foreign powers. It was estimated that at least six weeks would transpire before Yuan Shih-kai could arrive at Nanking and take the oath of office and appoint his cabinet. It was urged that his departure from Peking would be the signal for disorders, and he firmly objected to leaving the capital until such time as money was forthcoming to satisfy the most urgent demands of the army. As the final settlement was assured, and a complete understanding and harmony ostensibly existed between Yuan and Sun, the proposition was made to the Bankers and through them to their respective Governments that the embargo on foreign loans be raised, and permission given to advance funds on the joint approval of both de facto Governments, as a temporary measure to relieve the situation. This solution was feasible and would have served to tide over both Governments until formal consolidation. But



PRINCE TSAI-YING,
SECOND SON OF THE CELEBRATED PRINCE OF KUNG, AND HIS
YOUNGEST SON, PRINCE P'U-JU.



THE PRINCE OF KUNG,
GRANDSON OF THE GREAT CHINESE STATESMAN OF THE SAME NAME.



THE PRINCE OF SHUN CHENG,
ONE OF THE EIGHT PRINCELY FAMILIES.

the Powers refused consent until such time as Yuan Shih-kai was formally inaugurated as President, and the Cabinet appointed. Subsequent events prove that although President Sun and his Minister of Finance, Dr. Chen Chin-tao, were ready to give their approval to this procedure, Yuan Shih-kai and his advisors arrogated to themselves the sole power to negotiate loans, without reference to the wishes of the South, and without taking President Sun, Dr. Chen, or the National Assembly into their confidence. Yuan's side apparently pursued a policy of strict secrecy as to their loan negotiations, and within two days after ablication signed the preliminary draft for the hypothecation of the Kalgan Railway to the Belgians or Russians, unknown to President Sun.

Six weeks without funds meant anarchy. The troops could not be held in check without pay, and there were other pressing demands for food, supplies, etc., which had to be met. And in the face of this last refusal of the Powers the Republicans had no other recourse but to close one of the deals with Japan, and accordingly prepared to sign the agreement for the hypothecation of the properties of the China Merchants Steam Navigation Company.

The possibility of this loan going to Japan stirred British shipping interests into action and there is ample justification for the belief that strong representations were made to the British government to permit of breaking the deadlock to defeat this loan. It is a striking and strange coincidence that just as the Japanese were about to sign the preliminary loan agreement, for the control of the China Merchants' properties, the Premier, Tang Shao-yi, arrived at Peking from Nanking, and on February 27th, requested the representatives of the Four Power Groups to advance the necessary funds to finance the new government by a series of weekly installments until such time as the details of a general reconstruction loan could be arranged. He urged the immediate payment of Tls. 2,000,000 to the Nanking Government, and another large sum to Yuan. On the following day, February 28th, the manager of the Hongkong & Shanghai Bank at Shanghai received telegraphic instructions from the Groups to advance Tls. 2,000,000 to President Sun at Nanking, which orders were carried out and the money paid over on the same day.

There is only one inference to draw this. When the great British shipping and commercial companies realized that their interests were in danger, and the Republicans were playing into the hands of their formidable Japanese rivals, who by securing a lien on the China Merchants' properties would be masters of the river and coastwise shipping trade, then the law of self preservation overshadowed all other considerations, and the demand was made on the British Financial Group to break the deadlock and advance the funds to Sun Yat-sen, to prevent the

China Merchants Steam Navigation Company passing to the control of the Japanese. And the British Group, with the support of its Government, acted. It acted promptly, and within twenty four hours after being approached by Tang Shao-yi the installment for Nanking was paid over. The powers had acted up to the agreement to withhold approval of all loans until after formal recognition. Only a few days previous to the breaking of the deadlock (Feb. 23th) the Foreign Office of one of the Powers notified independent bankers that it could not approve of any loan based on the joint sanction of Presidents Yuan and Sun, and not until Yuan was inaugurated and his cabinet, appointed, would they consent to any loan transaction. But at the same time as this official communication was being made, the preliminary draft of the Belgian Loan had been signed, and negotiations progressing between the allied groups and the Chinese Provisional Government at Peking to advance the necessary funds under the very conditions that the Foreign Office stated would not be accepted. And only after the independent foreign bankers were notified from China on February 24th, of the breaking of the deadlock, did that government give its assent on Feb. 25th to the floating of an independent loan based on the joint sanction of both provisional governments.

It is claimed by the Chinese that when Tang Shao-yi approached the Groups on February 27th for the immediate relief of the situation, they agreed to make weekly advances in addition to the immediate sums required. The groups however maintain that before a reply was received from their head offices, the outbreak at Peking, Tientsin and Paoting-fu occurred, and no further request was made for funds until March 2nd, when Yuan Shih-kai approached the Peking representatives of the Groups to secure the authorization of their respective governments to make urgent advances. Such a statement ignores the advance paid to President Sun on Feb. 28th, and this advance clearly indicates that some verbal understanding was arrived at immediately, otherwise the advance to Nanking would not have been paid. It is quite clear therefore that the permission of the foreign governments must have been given on or before February 25th, as evidence by that payment, and the advice of the Foreign Office to the independent bankers of the same date. If the consent of the foreign government was not secured on that date, then the Groups would stand exposed to the criticism of breaking the deadlock for selfish reasons, in response to British objections to the conclusion of the Japanese loan to the China Merchants Company.

It is also clear that although this authority had been granted, and the Groups after paying the advance to Nanking were prepared to pay the installment to President Yuan at Peking, the mutiny

of the morning of Feb. 29th, followed by the looting and burning of Peking by Yuan's own trusted Honan troops, completely changed the situation. In the face of such a serious revolt, which for a time threatened to spread over all the North, the Groups could not be expected to make advances to a government manifestly impotent to maintain discipline and order. For it must be borne in mind that the revolt quickly spread to Tientsin and Paotingfu, and the authorities made little or no effort the first day to check it, although there were thousands of reserve troops quartered in or around Peking who took no part in the disorders, or made any move against the mutinous division. Circumstantial evidence supports a well grounded suspicion that the outbreak was directly or indirectly instigated by Yuan Shih-kai to create a situation which would justify his continued presence in Peking, and release him from proceeding to Nanking to take the oath of office in conformity with his promise to the Republicans. It is said that his own bodyguard, of Honan troops, exceeded their instructions and the sham mutiny got out of hand, and developed into a mad orgie of pillage and incendiarism. Japanese journals go so far as to state that various shops in Peking owned by Gen. Tsao Kun, commanding the Honan troops, were each provided with a special order which saved them from being looted. Although there is no direct or sufficient evidence to sustain the accusation against Yuan, there was sufficient justification for a day or so while the looting was proceeding unchecked, for the foreigners in Peking to doubt his ability to handle the situation.

The Groups, from their point of view, were therefore fully justified in failing to comply with their agreement of February 27th, until order was restored, and further advices received from their respective governments. The Groups maintain that this authority was not forthcoming until Yuan again approached them on March 2nd for funds or immediately on cessation of the riots. It was not until March 9th, however, that the first advance of Tls. 1,100,000 was made to Yuan Shih-kai at Peking under an exchange of official letters of that date, which assured to the Groups a firm option of financing the monthly requirements of the Chinese Government, and the firm option on the reorganization loan of £60,000,000. The latter was subject to a provision introduced at the request of Tang Shao-yi to the effect that terms must be equally advantageous to those otherwise obtainable. On March 11th, Premier Tang requested from the Groups a further advance of Tls. 5,000,000 for Hankow, confirming by implication the impression that he had never led the Groups to doubt that he looked to them to furnish the entire monthly requirements. The full text of the agreement signed by Yuan Shih-kai follows:—



PRINCE P'U-CHUN

SON OF TSAI-VI (PRINCE TUAN), THE BOXER PRINCE; ADOPTED AS POSTHUMOUS HEIR TO EMPEROR TUNGCHIN IN JAN. 1900, AND HEIR APPARENT TO EMPEROR KUANG-HSU; DISINHERITED IN NOV., 1901, OWING TO PRESSURE OF FOREIGN POWERS



PRINCE PU-LUN

THE FIRST IN LINE OF THE SUCCESSION; ELDEST SON OF PRINCE TSAI-CHIH WHO WAS HEIR TO YI-WEI, FIRST SON OF EMPEROR TAO-KUANG ONE OF THE BRAINY AND ABLE PRINCES OF THE IMPERIAL CLAN. VISITED AMERICA AS IMPERIAL COMMISSIONER TO THE ST. LOUIS EXPOSITION



PRINCE PU-CHIEH

ONLY SON OF PRINCE TSAI-HSUN. BY IMPERIAL DECREE HE WAS ADOPTED BY HIS UNCLE TSAI-TAO WHO IN TURN WAS ADOPTED INTO A DISTANT BRANCH OF THE IMPERIAL CLAN. THIS MANEUVER ELIMINATED HIM AS A CANDIDATE FOR THE THRONE AND LEFT THE FIELD CLEAR FOR HIS COUSIN, PRINCE PU-YI. HIS NAME HAS BEEN CHANGED TO PU-KUANG



THE LATE EMPRESS DOWAGER OF CHINA POSING AS THE GODDESS OF MERCY, WITH A DAUGHTER OF PRINCE CHING AND PRINCESS YUAN AS ATTENDANTS AND CHIEF EUNUCH LI LIANG YING IN THE FOREGROUND

REPUBLIC OF CHINA

Office of the President,

Peking, March 9th, 1912.

To E. G. Hillier, Esq., C. M. G., Agent, Hongkong and Shanghai Banking Corporation, Monsieur Casenave, Manager, Banque de l'Indo-Chine, H. Cordes, Esq., Deutsche-Asiatische Bank, and Willard D. Straight, Esq., Special Representative American Group.

Gentlemen:—

I am in receipt of your letter of today's date informing me that, having obtained the sanction of your Governments to advance to the Chinese Provisional Government funds for their urgent requirements, as stated in the letter of the 2nd March addressed to you by the Acting-Minister of Finance, your Banks are now prepared to hold at the disposal of the Chinese Provisional Government, against the receipts of the Ministry of Finance, the sum of Shanghai Taels One million one hundred thousand (Shanghai Taels 1,100,000) and I note the arrangements proposed for making this sum available.

It is understood and agreed,

1.—That the said advance of Shanghai Tls. 1,100,000 will be treated in conjunction with the advance of Shanghai Tls. 2,000,000 made in Shanghai to the Chinese Provisional Government on the 28th day of February last, and that sterling exchange for the same will be settled by the Banks in Shanghai to-day.

2.—That this advance of Shanghai Tls. 1,100,000 as in the case of the previous advance of Shanghai Tls. 2,000,000 above referred to, will be covered by delivery to the Banks, so soon as arrangements permit, of sterling Treasury Bills bearing date the 9th day of March, 1912, and for such amounts as, after being dis-



PRINCE CHING, THE MANCHU EX-PREMIER



PRINCE TSAI-CHEN



PRINCE TSAI-FU

THE SONS OF THE PRINCE OF CH'ING



PRINCE SU, ONE OF THE EIGHT PRINCELY FAMILIES.

counted at a rate to be arranged, shall yield the sterling equivalent of the said advance, the said Treasury Bills to be secured, subject to the existing charges, upon the revenue of the Salt Gabelle.

3.—That the Banks hold a firm option for the provision of the further monthly requirements of the Chinese Government for the months of March, April, May, June and possibly July and August which the Four Groups have already been requested to finance, against the delivery of additional sterling Treasury Bills on terms to be arranged,

4.—That in consideration of the assist-

ance rendered by the Groups to China in the present emergency and of their services in supporting her credit on the foreign markets, the Chinese Government assures to the Groups (provided their terms are equally advantageous with those otherwise obtainable) the firm option of undertaking the comprehensive loan for general reorganisation purposes already proposed to them, to be floated as soon as possible, and to be applied in the first instance to the redemption of the sterling Treasury Bills aforesaid.

I hereby confirm the arrangements and conditions above stated, and request

you to proceed immediately in accordance therewith.

I am, Gentlemen,
Yours faithfully,
(Signed) Yuan-Shih-kai
(Seal)

This agreement speaks for itself and admits of no misinterpretation. On the strength of this, the first advance of Tls. 1,100,000 was immediately paid over, and negotiations opened on the final agreement. A draft agreement for the full requirements of the Chinese Government was prepared and ready for signa-

ture on March 14th, or five days after the receipt of Yuan Shih-kai's letter, and every arrangement had been made by the Groups to continue the payment of the advances agreed upon, when on that date (March 14th) they received definite information that the Premier Tang Shao-yi was negotiating with a Russo-Belgian syndicate for an independent loan. And despite the protests of the Groups, Premier Tang, signed the Belgian loan on March 14th, subject to confirmation by the National Assembly at Nanking. The Four Power Groups immediately suspended further payments, and refused to comply with their side of the agreement unless the so-called Belgian loan was cancelled. For a fuller understanding of the situation, the Draft agreement of the Belgian loan, which appeared in the "Shanghai Mercury" of March 28th, is appended.

The loan was for £1,000,000 at five per cent, issued at 97 and redeemable in 12 months at par or before that date at 98½, provided the conversion loan was made



PRINCE TSAI HSI.

A comparison of these terms, signed on March 14th, with the terms of the agreement signed by President Yuan on March 9th, reveals that preferential rights were conceded to both parties, and supports the position of the Groups. It would indicate that the new rulers of China adhered to the traditional tactics of playing one group against the other in the hope that by such competition China would free herself from any foreign monopoly or control of her finances. The only possible justification of their action is in the provision inserted in the agreement of March 9th, that the terms of the Groups shall be equally advantageous to China with these otherwise obtainable. It is understood that the terms of the Four Power Group were based on a £60,000,000, six per cent loan, issued to the Bankers at 95; and some supervision of the finances would be insisted on. The Belgian one year loan, issued at 97 and five cent, in reality constituted an 8 per cent loan,



THE FAVORITE SON OF PRINCE SU,
HEIR TO THE TITLE.

through the same bank. The loan is primarily secured on the general revenues, and specifically by the physical property and revenues of the Peking-Kalgan Railway. The special feature of the loan is however embraced in Article 15, which reads as follows:-

15.—PREFERENTIAL RIGHT.

The said bank having helped the Government of China in the time of need by making this agreement the Government of China specially grants a preferential right to the said bank in case China shall raise any future loan if the conditions be the same as other banks but the amount for such a loan should not exceed £5,000,000. In case twelve months after the signing of this agreement the Government bonds issued secure a good price the loan will be at least £5,000,000 and it will be included in a £10,000,000 loan. If any future loan be raised by China and the conditions of the said bank be the same as those of the others the Government of China will order the said bank to undertake the new loan.



GEN. CHUNG CHI, GOVERNOR OF SHANSI,
MURDERED BY REVOLUTIONARIES



THE HEIR TO H. H. PRINCE NA,
DZASSAR OF THE KAALKA MONGOLS.

with preferential rights as to future loans, and special inducement as to its conversion, and it is also significant that the Agreement makes no provision for supervision, or guarantees that the funds will be applied to reform or productive purposes.

It would appear then that China's justification for the alleged breach of faith must rest solely on the point that the terms of the Belgian Loan were more advantageous than those offered by the Groups, releasing the country from possible foreign intervention in the control of her finances. Pending an official statement by President Yuan or Premier Tang, public opinion throughout the world will support and sympathise with the Groups, who had secured the first option, maintained China's credit abroad during the months of the revolution, and who were willing to continue the advances on unsecured treasury notes, until a final agreement had been duly negotiated and signed.



DUKE TAH,
SON OF PRINCE NA.

Although the new loan is termed a Belgian one, there is every reason to believe that in reality it is Russian, for the syndicate is identical with that formed about two years ago, and represented in China by M. de Hoyer of the Russo-Asiatic Bank. The Bank de Outre-Mer, the Belgian end of the combination is represented in China by the Sino-Belgian Bank whose manager assumed charge of the negotiations in Peking.

The possible political character of this loan is made clear when it is remembered that Russia has intrigued for years to control the approach to Peking by a railway across Mongolia and through the Kalgan Pass to the Capital. It has also been a fixed policy of the Chinese Government to oppose this scheme, and build the railway within the confines of her own territory with her own funds. "He who holds the Kalgan Pass (Chang Chia Kow) controls the Empire" is an old Chinese proverb, and one marvels that the new rulers of the country could be led into signing an agreement surrendering this gate to the Russians. That Yuan and his advisors fully appreciated the force and logic of this traditional saying, is attested to by its use as an argument to induce American financiers to negotiate the Kalgan Railway Loan. The independent American group were ready and willing to advance the loan on this security, as soon as the American Government signified its approval. The Republican Government at Nanking had consented to this loan being placed in America, providing Yuan's consent could also be obtained. It is therefore significant that the negotiations between Yuan and the Russo-Belgian syndicate had been in progress since last November (which clearly indicates that the bankers were deterred from acting, by the same motives which influenced the Groups and other independent concerns), and two days after the abdication, (February 14th), the draft agreement was signed at Peking, without the knowledge or consent of the Nanking Government.

In view of all the circumstances surrounding the transaction, the Groups had no other option than to protest and insist on the cancellation of the Belgian Loan as conflicting with the prior rights ceded to them on March 9th by President Yuan Shih-kai. It is also obvious that neither President Yuan or Premier Tang could make a satisfactory reply, and, instead of clearing up the tangle immediately, sought refuge in dignified silence. Premier Tang left Peking for Nanking to select the Cabinet and place the loan situation before the National Assembly.

On the 18th of March, the full text of the Russo-Belgian Loan Agreement was telegraphed to the National Assembly at Nanking with the request from the Premier that immediate consent be given to the terms. As far as can be ascertained, President Sun and the members of the Assembly were in complete

ignorance of the agreement signed on March 9th with the Four Power Groups, and although they have learned of this through outside sources, it was not brought to their notice officially. The Assembly meeting at Nanking was a secret one, and every effort was made to keep the decision at which they arrived from becoming public. The session was addressed by the personal representative of President Sun Yat-sen, who explained that the Four Power Group had refused to make the necessary advances in accordance with their promise, and it was therefore necessary to seek elsewhere for funds, and requested their consent to the Belgian loan, as the only means of obtaining urgent financial relief. Some members of the Assembly are said to have raised objections to pledging the Kalgan Railway to any European power, expressing the opinion that if money was to be raised anywhere on this security, the preference should be given to the independent American bankers. However, the Assembly finally gave its assent to the loan, but left themselves a way out of a possible impasse by providing that the question could be reconsidered, and for a time it looked as though such a step would be taken.

On the arrival of Premier Tang at Nanking he explained to the members of the Assembly that he had neither misled the Groups or attempted to play fast and loose with them. As far as can be ascertained, the Premier failed to notify the Nanking authorities of Yuan's letter of March 9th. He explained that when he arrived at Peking on Feb. 26th, the need of money was urgent, and in a conference with Yuan Shih-kai it was agreed that negotiations with the Groups should be carried on for advances, and arrangements were therefore made with the Groups for certain sums to be handed over weekly. In the meantime the outbreak at Peking occurred and as a result thereof the Groups declined to advance against future loans as had been arranged, stating to Tang that the situation had changed and it was necessary for them to await instruction from their home offices. In this statement, it is also significant that no reference was made to the Tls. 2,000,000 advanced on Feb. 28th to Sun Yat-sen by the Groups. Tang-Shao-yi then reopened the Belgian negotiations and signed the agreement on March 14th. He claimed that he had made no promise to the Groups to give them a monopoly or any footing to the exclusion of others, as his idea was to maintain a fair field for participation by any lenders who may come forward thus creating the "Open Door" in finance.

Such statements very naturally received the full indorsement of the National Assembly and inclined them to accept the belief that the Group's motive was to "hold up" the new government and control the finances of the country, and this they were not disposed to grant. If the Groups supported by their respective

governments insisted on such a measure, and placed obstacles in the way of borrowing from independent bankers, there was a tendency on the part of some Assemblymen to explain the situation to the troops, and appeal to their patriotism to remain peaceful until arrangements could be made to secure the necessary funds for their pay. In other words this meant that the army would believe that foreigners were endeavoring to throttle China, and might have far reaching and unpleasant effects. The danger of such a course was so obvious, however, that the Assemblymen decided that such a step would only be taken when the outlook became so bad that danger from the soldiers themselves threatened the existence of the new government. The danger that lurks in any breath against foreigners is so great that it is not likely that the threat will ever be carried out, and the soldiers will not be put in possession of the ostensible reasons for the delay in their pay.

The protest of the foreign diplomats against the Belgian Loan as infringing the rights conferred on the Groups by President Yuan's letter of March 9th, was strengthened by further protest from the British and French ministers against the pledging of the Kalgan Railway. The Peking-Hankow Railway redemption loan of 1908, placed in Great Britain and France, was secured on the line itself, and all other productive works under control of the Board of Communications. Although the Kalgan Railway was not completed at the time of signing the loan, the point was advanced that as it constituted one of the productive enterprises under control of the Board, it fell within the terms of the 1908 loan, and could not be pledged, except as security for a second mortgage.

The Chinese Government has apparently remained unmoved throughout the storm of criticism, ignored the protests of the powers, and accepted the various advances of the Belgian Loan and applied the funds for urgent expenses at Peking, Nanking and Wuchang. On March 29th, Premier Tang addressed the National Assembly at Nanking on the state of the country.

He referred to three matters which he considered that the Republic should take in hand without delay. The first was the relief of the people of disturbed regions, the second was the settlement of China's foreign relations. He said that the treaties entered into by the Manchus with the Powers were friendly only in name, for in reality good faith had never been in evidence. The result was that China lagged behind other Powers in everything, and suffered accordingly. Since 1900 the treaty for the abolition of *likin* and the increase of taxes had remained a dead letter in spite of its vital importance. Therefore, as soon as the Powers recognized the Republic, this question should be the first to be actually dealt with. The third question was the supervision by the public of the study of



A GROUP OF THE YOUNG MANCHU PRINCES
DUKE CHI, DUKE TAH, PRINCE AH, DUKE PU-CHI



THE VICEROY JUNG LU
GREAT FAVORITE AND SUPPORTER OF THE LATE
EMPRESS DOWAGER. MATERNAL GRAND
FATHER OF EMPEROR HSUAN TUNG

industrial problems, as distinguished from the cultivation of literature. At present China was the most poverty stricken nation of the world, and could not do any profitable business without borrowing foreign loans. Upon the formation of the new Government, the creation of the two Ministers for Agriculture and Industry and Commerce had been carried out for this purpose, namely, the [development of industry.

Finance presented a most difficult problem. By last year's Budget, the total income of the whole nation was over Tls. 297,000,000, while the expenditure amounted to more than Tls. 350,000,000, a deficit of Tls. 54,000,000. An extraordinary outlay of over Tls. 24,000,000 swelled the deficit to over Tls. 78,000,000. Besides this large deficit, there were foreign loans and foreign indemnities which had not been paid since last year; these two items would amount to about Tls. 50,000,000. Since the 5th moon of last year the sum borrowed from the Four-Nations' Syndicate for currency reforms, for the construction of the Canton-Hankow-Szechuen and other Railways, and for helping the markets, would be about Tls. 200,000,000, on which interest at 5 per cent. would absorb Tls. 10,000,000, which further augmented the deficit to Tls. 88,000,000.

As to foreign loans the sum total in arrears was about Tls. 20,000,000. Since the revolution broke out, there had been eighty divisions of army in the south. Even assuming that twenty divisions could be disbanded, there remained sixty divisions still to be paid for. If a division required Tls. 120,000 per month, sixty divisions will require Tls. 7,200,000 a month; up to the end of this year, at least, Tls. 80,000,000 must be required.

Again, the destruction during the revolution would entail provision for reconstruction to the extent of at least Tls. 10,000,000.

Grants, pensions, and indemnities to the servants of the nation, with provision for the maintenance and education of their offspring, would require another Tls. 10,000,000. Although he could not say how much would be needed to indemnify the losses by foreigners, there must be something to be paid in this direction.

Lastly, the Provisional Government had already spent over Tls. 7,000,000 since the inception of the Republic. The grand total would be, then, between 214 and 215 million taels. This amount was what the Premier considered absolutely necessary for the first year of the Republic.

He concluded by assuring them that he would have to come before the Assembly to discuss this question.

The Premier admits that the country is facing a deficit of Tls. 215,000,000 (£26,000,000) or almost a year behind in her revenues. It is quite possible that even this figure fails to include many recent secret loans, or the various provincial debts contracted by the viceroys, all of which would raise the total many millions. Nor does it include the sums necessary to commence railway construction or put into effect the industrial policy outlined in his speech, or the deficit for the coming years of the reconstruction period. All of which may well bring the total amount that the Fed-



PRINCE LI (SHIH-TO),
ONE OF THE IRON-CAPPED PRINCES; PRESIDENT
OF THE IMPERIAL CLAN COURT

eral Government of China will be compelled to borrow in the foreign market in the next few years to the grand total of £60,000,000.

If we add to this the large sums needed by the various provinces and cities for the construction of provincial railways, improvements, from ways and public utility works, and the foreign capital necessary to start industries and open mines, it is no exaggeration to state that China will be compelled to borrow at least £100,000,000 in the next decade. The old feeling against the use of foreign loans for the development of the country seems to have disappeared with the revolution, for almost immediately after the inauguration of the new president a rush of provincial loan mongers and brokers descended on Shanghai, Hongkong and other treaty ports, eager and willing to negotiate foreign loans for all manner of enterprises, secured on provincial or municipal taxes. As nearly all the provinces, however, are confronting deficits and there is little hope of their bonds being indorsed or guaranteed by the Federal Government, the efforts of these officials have met with little encouragement from reputable financiers or Commercial firms.

The Chinese seem to be under the delusion that all the loose capital of the world is just waiting to flow into their country, and that foreigners will accept any proposition at this time for the sake of securing a footing. If permitted a free scope, the cupidity of the Chinese official would open the doors to the entrance of unscrupulous financiers supported by predatory governments, and the usual business safeguards and ordinary precautions would be sacrificed for the more important political advantages.

To offset such a state of affairs the Powers, under the leadership of America, concluded to enforce the broadest possible internationalization of Chinese loans, thus protecting China from the greed of her own officials, and any undue ascendancy of any one Power. Although Russia and Japan are both debtor nations, they have certain rights and interests in China, which cannot be ignored, and for the sake of harmony and thorough co-operation it was deemed advisable to invite them to participate equally in all future political loans to China, and join the established Four Power Group. Japan at once accepted the invitation and designated the Yokohama Specie Bank as the official institution through which her share of the loans would be negotiated. This means that Japan, will have to contribute at least £10,000,000 in the next six years to maintain her political footing, without taking into consideration the amount necessary to pursue her industrial policy in China, which may well ascend to another equal sum. Where Japan is to raise this large amount for foreign investment is a question that remains to be answered in the future, unless her credit abroad is superior to China's, in which case she simply acts as a broker, and receives a profit from the transaction. After a long hesitation,

H. E. YIN-CHANG
Minister of War.

H. I. H. Prince
Tsai Fu,
Imperial Guards.

H. I. H. Prince
Tsai-Hsun
Minister of the Navy

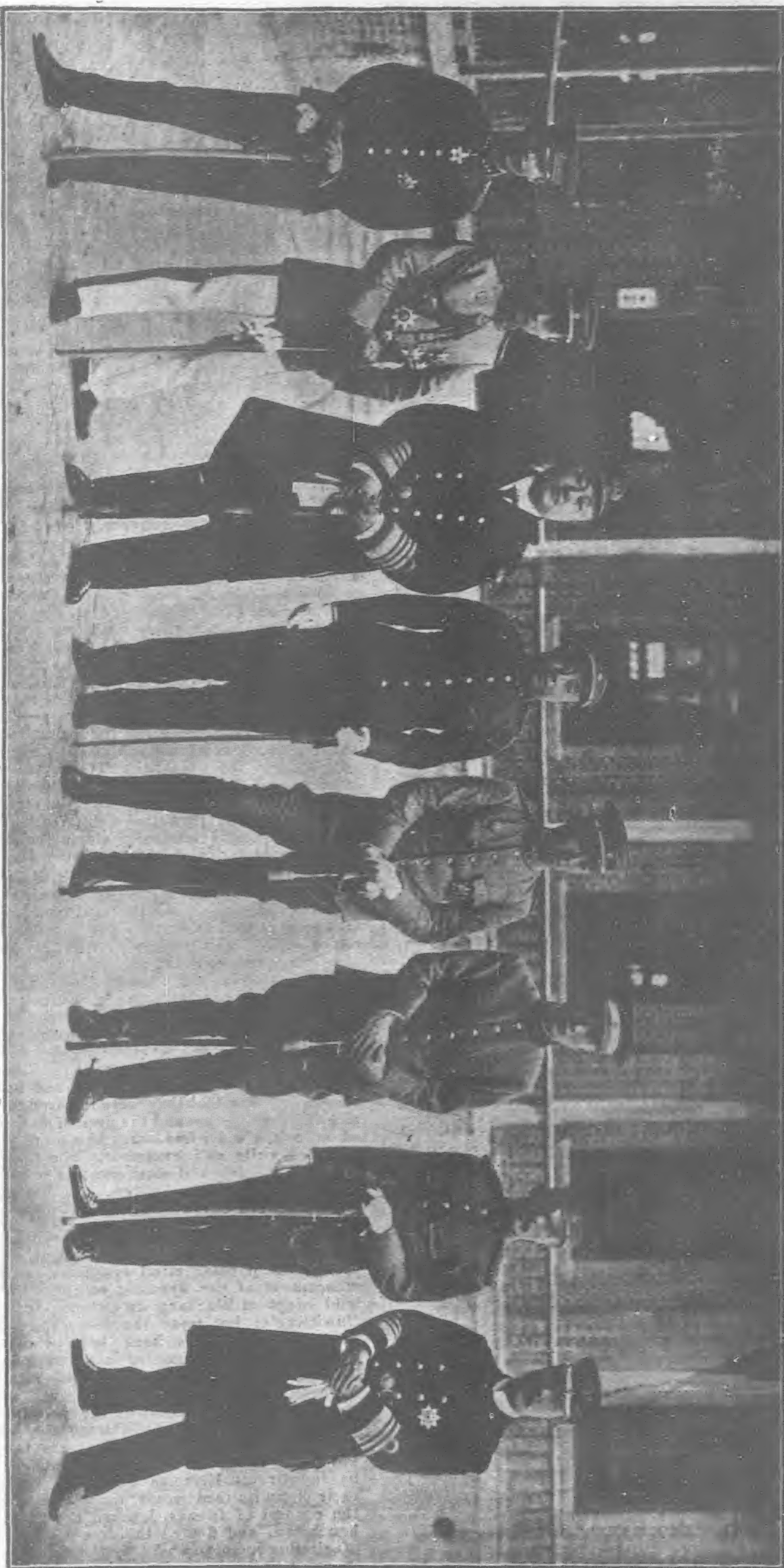
H. I. H. Prince
Tsai Jui, President of the
Nobles (War) College.

H. I. H. Prince
Tsai Tao, Commanding
the Imperial Guards.

H. H. Duke
Liu, Imperial
Guards.

H. H. Prince Pa,
a Mongol Prince
of the First Order.

H. E. Admiral TAN,
Vice-Minister of
the Navy.



Russia has also signified her willingness to enter the combination, although it has been quite apparent that she desired to play a lone hand and push her advantage through the medium of the Belgo-

Russian financial syndicate. The pressure of the other Powers, aided by the French holders of Russia's purse strings, however, finally convinced Russia of the futility of standing out alone.

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THE REVOLUTION IN CHINA

[SPECIALLY WRITTEN FOR THE FAR EASTERN REVIEW]

SHANGHAI, March 10.—The potent forces which unexpectedly slipped the leash towards the latter end of last year, and which gathered such irresistible momentum that China has been able, within, apparently, the short space of a third of a year, to present to the world the most remarkable cosmic upheaval in centuries, furnish portents that are distinctly promising for the future of this great undeveloped land. The leaders of the original opposing parties have come together, a coalition government of strong men is being formed, and a programme of progressive measures is being devised which promises to give the hitherto clogged wheels of enterprise no rest until a rejuvenated and entirely substantial China rises to face the world. Progress will naturally be slow for several years; there is likely to be much political wire-pulling and office-seeking which may or may not lead to serious collisions, but the spirit which brought the handful of men who count through the great fight has spread its influence among the hundreds of thousands, and despite the loot lust which unhappily overtook the troops at Peking at the height of success, and the lawlessness that obtains in other parts of the country, the augury for the industrial and commercial future is one of great and encouraging promise. The terrible general plunge into the depths of bloody chaos which was predicted as a certain corollary of revolution in China did not eventuate as a consequence of the effort successfully made to overthrow the Manchu dynasty, and the marvellous restraint that has been so far held over the vast, restless congeries of peoples constituting the population of the provinces, combined with the sturdy common-sense of the educated elders and thinking members of the body politic throughout the country, encourages the hope that the blessings of peace will be permitted uninterruptedly to warn the prolific land to yield in abundance the splendid fruits of which it is capable.

The revolution dislocated the machinery of trade, compelled a cessation of industrial enterprise, and necessitated discontinuance of railway construction in various provinces, but as out of evil springeth good, it should not be long before the hum of industry is once again ringing in the now confused air and commerce be progressing in measure a thousand-fold more beneficial to participants than has been ever experienced in the history of the country. Leastwise that is the prophecy of the leaders of the men who have made the awakening of China something tangible and understandable. For that they were inspired to agitate and revolt—that and the need of an enlarged outlook, a wider freedom, and a more vigorous and virile enlightenment. For that the sway of the eldest and most absolute monarchy in the world has been broken, and monarchic government in China sacrificed.

The undoing of the Manchu dynasty is not in reality an act of a third of a year, or a year, though the popular mind associates the commencement of the dynastic eclipse with the wild night at Wuchang on October 10, 1911. Unwittingly, but none the less surely, the Manchus themselves have been encouraging the insidious cancer of decay to gnaw at their very vitals for scores of years. Blind to the needs of the splendid nation over which they held sway, ignorant of the pressing influence of the outside world upon the minds of the educated among the Chinese people, indifferent to the signs of the times being hung by industrious Nemeses upon the walls of their circumscribed world, they have scorned the counsel of friends, ignored the advice of henchmen, and flouted the recommendations of agitating enemies, whilst the Court yet spent its substance and its strength upon follies devised by inane eunuchs and countenanced by inept princes and iniquitous sycophants fawning about the Throne. For generations despairing men have devoted their lives to the ineffectual task of stirring the Chinese to rise and throw off they stifling yoke their national qualities

and enslaving their tremendous energies, and revolt after revolt in near cities and far has been doomed by immaturity to be drowned in the blood of the daring ones who unhappily imagined the hour had come when success would shine upon their enterprises.

Not until this present generation, however, has the collective mind been in a truly receptive state for revolutionary teachings. The expansion of the railway and the consequent increase of intercommunication, the development of the newspaper press and the discovery of the effectiveness of an insistent propaganda through its columns brought the mind into that state when the views of the thinking patriots impressed and inspired, and prompted discussion in those literati circles which never before condescended to concern themselves with what in earlier days were regarded as the mere wild haverings of misguided cranks. If to any single factor is to be ascribed the success of the revolution it is the press that must secure the credit. As a weapon it was discovered by Dr. Sun Yat-sen and Kang Yu-wei whilst they were in exile, and though their earlier efforts to establish papers in ports where official hands were light enabled them to secure a substantial circulation in the interior, many years elapsed before any detectable good results followed. Kang Yu-wei, the leader of the "reform" party, had papers established in almost every treaty port, but his campaign was not as insistent nor as virile as that of the "revolutionist," Dr. Sun Yat-sen. The organs of both were harried continuously by the officials in China, and ultimately all were suppressed except those which could find haven in foreign treaty-port settlements or in Hongkong. Even then stringent laws forbade their entrance to Chinese territory to such good purpose that none might be read openly, and the only resource left to those who would spread the revolutionary gospel was to smuggle them past the watchful searchers at the landing places. To men who were prepared to sacrifice their lives for the cause this was a small matter, and agents in the interior were kept regularly supplied with revolutionary literature despite the close and constant vigilance of the officials.

STUDENTS AND THE REVOLUTION.

Thus was the way paved for ultimate action—a way upon which could tread the thousands of students annually returning from Japan, or America, or Britain, or the Continent. These men constitute the second factor in the success of the revolution, and invariably they came back to their native land filled with desire for far-reaching reform, most of them hot for revolution. Few, however, followed the actual preachings of the "reformer," Kang Yu-wei. His ideas were not sufficiently sweeping and being monarchic were too narrow in their scope to suit the tastes of the impulsive modernists. The ideals of Sun Yat-sen—ideals which he had taught the world over wherever Chinese community could be found—were those which appealed to the young foreign-educated students. In their schools they were constantly being taught the duties of citizenship, and the lofty aims to which a nation should aspire. Around them in their daily life they saw the tremendous and far reaching benefits which accrued to people enjoying liberty of action in the arts, the sciences, commerce, industry, and national life, and they compared these things with the dark and primitive conditions obtaining in their own benighted country. Comparison of the mode of life of the citizens of the outer world with that of their own brown-beaten nationals gave them all serious pause, and evolution of thought ultimately saw them ardent advocates of the extirpation of the primary cause of the system which rested on their homeland like a curse, and throttled every aspiration that might make towards a national uplift.

Dr. Sun Yat-sen plumbed the depths a decade before many of these students discovered the real causes operating for the backwardness of their country, and his inspiring teachings acted upon them and their fellows as fire upon tinder. Conclusively, at the bottom of the rottenness in the high places and in the low in their land were the Manchus. They inaugurated and fostered a system designed to bind the populace in the thongs of ignorance, render the poor poorer and the rich richer; and the more profoundly the student class abroad pondered this striking fact the hotter grew their blood and the more insistent and desperate became their plots and plans to tear root and branch of Manchu control from China's soil, and remodel the national hot house so that the plant of progress could be fostered to the exclusion of the weed of re-action which had hitherto fed upon the fructifying soil and flourished mightily.

In the early stage of the schoolmaster's walks abroad in the land in the sixties the Manchus were themselves induced by the progressive among the Chinese, who began to appreciate the advantages of foreign learning, to send students to the outer world, and in 1871 an Imperial decree provided for the appropriation of £150,000 to send 120 boys to the United States to be educated for a period of nineteen years. In 1872 thirty boys reached American colleges, and others followed, and the seeds so sown developed so rapidly that this educational movement, inaugurated by Dr. Yung Wing, an old Yale graduate, way nipped in the bud after four years by a conservative commissioner who so alarmed the Peking authorities by his reports of the "Americanization" of the boys that they determined to "exterminate the embryo rebels before their full development." Over one hundred students were consequently recalled to China, though, after much agitation, six were sent back to America. It is interesting to note that among these first students were Jeme Tien-yu, C. E., Ph.B. (Yale), M. Inst. C. E. (London), builder of the Peking-Kalgan Railway and the "Father of Railways in China," as he has been called; Liang Ten-yen, whilom Minister for Foreign Affairs; and Sir Chentung Liang Cheng, Minister to Berlin, though, as it hap-



SHENG HSUAN-HUAI (SHENG KUNG-PAO)
FORMERLY MINISTER OF COMMUNICATIONS WHOSE
RAILWAY POLICY PRECIPITATED
THE REVOLUTION.

pens, these three men have not in any way qualified as active revolutionists.

The opposition which the Manchus and the conservative Chinese officials under them made to modern education could not endure, however, and the flow of students abroad was eventually resumed either at the expense of parents, mission bodies, or the government itself, for the later was again prevailed upon to provide funds for the education of men to take charge of the

various governmental departments. Worthy men have been consequently brought into the limelight of learning by this irresistible movement, and by the outward thrust of students who remained at home, and names such as Dr. Wu Ting-fang, Mr. Wen Tsung-yao, Dr. Chin Chen-tao, Ph. D. (Yale), Ll. D. (Peking), Dr. Wang Chung-hui (Yale), Barrister-at-law, Middle Temple (London), Tang Shao-yi (Yale), and a host of others who have and who have not come into prominence during this revolutionary upheaval, will ever stand to the credit of China. In 1908, when the United States Government returned the Boxer indemnity of some £2,400,000 a distinct fillip was given to the educational campaign and large batches were quickly on the way to the American colleges, until within a year ago the total of students in the United States alone was something like 750, about three hundred of whom were being supported by the Government. In England, Scotland, Germany, and other Continental countries numerous students were also hard at work, whilst in Japan thousands were taking their courses, and all were at the same time imbibing those ideas of freedom which ultimately contrived to combine in disenthraling the country from the baneful influence of the Dynasty judged guilty of strangling progressive thought and retarding the natural development of the potential resources in the land.

Under the advocacy of Dr. Sun Yat-sen, himself foreign educated, and early alive to the reasons for the retrogressiveness of his native country, the claims for a revolution were carefully spread. The students abroad assisted in the propaganda work in their own home towns in China by the descriptive letters to their parents and friends of the conditions of life prevailing in foreign countries, and the Manchu Government itself accentuated irritation among the masses by its own irrational conduct. Feeling long ago that the sword of Damocles swung threateningly above its neck it sought by specious methods to win back the confidence of the people. The late Dowager Empress introduced measures of a distinctly "reform" character, and her efforts to assure the Chinese that Manchu exclusion was no



NA TUNG, FORMER VICE MINISTER OF THE
IMPERIAL CABINET.



HSU SHIH CHANG,
VICE PRESIDENT OF THE IMPERIAL CABINET.



DUKE TSAI-TSE, FORMERLY IMPERIAL MINISTER
OF FINANCE.

奉恩鎮國公載澤

longer a thing to be cavilled at led to the promulgation of decrees permitting intermarriage, abolishing the Tartar-Generalships in name, and ostensibly removing in other respects the barriers which stood between the ruling class and the ruled. Meanwhile the insidious worm of discontent bored its way into the army and the body politic, the returned Japanese students with their newly-formed military ideas, quickened by the loss of China's face in the war with Japan, and the triumph of the victorious neighbor over Russia, plotted for control of a modern army, whilst the students abroad planned for a remodelled civil service and a constitution and parliament which would bring China with a bound into the front rank of nations. They knew she possessed the latent wealth to permit her to support a navy and an army equal to those of any other power, and to energise her people until she could boldly assert herself and for all time remove the stigma under which she labored; and they agitated to take advantage of it. The subtle promises and pretences of the Manchus to introduce a constitution, while they schemed to still further fasten their grip upon the neck of the nation met with the reception they deserved from the student class, and the newspapers quickly educated the common people as well as the aristocracy among the Chinese to realize that all was not as well as should be in their empire. The subsequent palliative measures adopted by the Manchus fell on deaf ears. Their broken promises killed whatever good might have been done under their sway, and



H. E. CH'ENG HSUN,
IMPERIAL MILITARY LIEUTENANT GOVERNOR
OF KIRIN, FORMER TARTAR GENERAL
OF NANKING AND CANTON, GOV-
ERNOR OF ANHUI, ETC.



TUAN FANG

loss of confidence completed the contempt felt for them by the rising thinkers among the people. Their professed concessions to the student class came too late, and, as Byron would express it.

"They did not know how hate can burn
In hearts once changed from soft to stern,
Nor all the false and fatal zeal
The convert of revenge can feel."

Thus the Manchus were doomed, and their fall came as a natural consequence of their misguided actions, nor could it be averted after the beginning of the recent Regency. The dramatic fall of Yuan Shih-kai, the foremost statesman in the empire, sponsor of the foreign-educated students, precluded the Manchus from ever regaining the affections of the progressive classes. That act alone, despite what penance they could be ultimately compelled to do, irrevocably sealed their death warrant, and all their pretentious promises to remodel the constitution and give a parliament to the people could not avert its consummation.

THE STRUGGLES FOR A "PARLIAMENT"

Since 1909, when the Throne consented to the inauguration of Assemblies, the people had been clamouring for a more and more

intimate connection with the management of the affairs of the nation, and hesitancy on the part of the Throne to comply with their agitations invoked the use of the bomb and general violence against obstructionists. The constitutional movement was given impetus by the very establishment of the National and Provincial Assemblies on October 14, 1909, and the vigorous demand for a complete Parliament grew and gathered force until Peking was compelled, by the character of the obstructive measures adopted, to make further concessions. The provinces confronted the Capital in doughty array, and particularly influenced national affairs by their persistent opposition to foreign loans. Returned students, specially from Japan, stumped the provinces preaching to the people in glowing language the benefits derivable from constitutional government, and their incidental agitation against government measures of the day so stirred the country that the harvest was ready for the sickle when the opponents of the Nationalisation of the Railways, and the loans essential for the consummation of the scheme, ultimately began to make their voices heard.

The Throne had been compelled to withdraw from its original attitude regarding the status of Assemblies, and its very compliance in this direction naturally induced the people to cry for more, and still more. The Assemblies were permitted, in response to insistent demands, to criticise the Budget, and the fact that the Government met the request by depositing in the National Assembly cases containing 3280 volumes did not in the least deter the delegates from vigorously applying the pruning knife



H. E. LING FU-PENG,
RECENT TREASURER OF CHIHLI PROVINCE

until a deficit of Taels 36,000,000 had been converted into a surplus of Taels 3,500,000. The phalanx of officialdom at once became ranged against the Assemblies, and the fight led to the wholesale impeachment of the Grand Councilors themselves from the floor of the Peking Chamber. Never before had such audacity offended, or been offered, the Throne. A few years previously any subject would have been summarily beheaded for even mildly criticising the satellites in the Capital, but here, at last, were the delegates from the provinces bringing their grievances to the very walls of the Palace and airing their long-pent feeling in the shadow of the Throne so that all men might hear and so that all might see that the hitherto terrorising Manchu was but a pusillanimous poltroon ready to give way the moment danger began to threaten.

The Grand Council made a pretence at resisting the demands of the united assemblymen and ultimately forced a dissolution, but was compelled by the attitude of Manchurian delegates (one of whom jumped from a train as a protest and was killed) to reconsider their position. The Government thought to minimize the clamour by ejecting the agitators from Peking, but that act merely carried the cry back into the provinces, and in the ultimate the Grand Council was forced to abolish itself and come out as a Cabinet, the Edict being issued on May 8, 1911, whilst amendments were made in the Assembly regulations giving greater powers to the people. But this did not come until a campaign in the provinces indicated to the Manchus that danger threatened their very being. General Fu Chi, who was sent down to Canton as Tartar-General, was shot dead just after he landed in the City of Rams, on April 21, 1911, his murderer subsequently confessing that he was a student of Dr. Sun Yat-sen, and

declaring that he acted to avenge the wrongs done 400,000,000 Chinese by the Manchus. Seven days later an attempt was made to seize Canton City, and these acts probably were responsible for the convocation of the Assemblies a month ahead of their time, and prompted the hurried issue of further promises to appease the power-hunger of the people. Anything was done that short-sightedness permitted so long as it was designed to conciliate the public, who were now in a seethe of discontent from one end of the country to the other. The "Constitutionalists" and the "Rights Recovery Party," or the "Sovereign Rights Party," were both actively agitating, but the Manchus and the clique about the Throne calculated upon saving themselves by throwing out sop after sop to the insatiable Cerberus.

THE ROCK THAT WRECKED THE MANCHUS

When Yuan Shih-kai was compelled by the Regent to abandon official life, Tang Shao-yi and others of his enlightened benchmen also felt pressure from the Throne and were shelved at one period or another. Tang Shao-yi, however, eventually came back as President of the Board of Posts and Communications, but felt constrained to resign the offices after a short period of trial. His departure from the post took place on January 6, of last year, to be exact, and then came the term—and the man—which hastened the revolution which has swept Manchu dominance completely away. Sheng Hsuan-huai, perhaps better known as Sheng Kung-pao, was raised to the head of the Board, and was able within a very few months to increase China's indebtedness on paper by something like £17,500,000 sterling. Sheng introduced a policy which might have been a good one for China, but he introduced it

at the wrong time and in the wrong way. He intended to establish a "business" government, to reform the currency and centralise railway control so as to bring the whole system under one head. By March 24, he had floated a loan of Yen 10,000,000 from the Japanese, and by April 7, another of £500,000 from the Eastern Extension and Great Northern Telegraph Companies, for the purposes of the Board, and by April 18, the already excited populace was startled by the announcement of the flotation of a loan of £10,000,000 with the Four-Power Group of financiers for Currency Reform and Manchurian development. Thirty per cent was to go to the latter purposes, and £1,000,000 was to be paid on the spot, whilst the balance was to be paid for currency reform when the committee of world's financiers then sitting in Europe considering the scheme which Dr. Chen Chin-tao had drawn up gave its approval. The ultimate advent of the revolution prevented any further payments, but the loan produced a storm of protest which the Government ignored till it was too late. With Sheng in the saddle the caravan began to move and was going to continue to move, as far as he was concerned, and on May 9, an Imperial Decree was issued proclaiming the State ownership of railways, whilst on the 21st of the same month another loan of £6,000,000 was announced for the construction of the Hukuangline—a loan which the four power group had been formed to float, and which had been under negotiation for two years. All this was too much for the overwrought people. Here were the Manchus on the one hand promising to concede them greater interest in the consideration of national affairs, and on the other floating loans and depriving them of the right to build their own railways without even so much as begging their leave or placing the ques-

ADAPTABILITY OF FILIPINO LABOR PROPERLY DEVELOPED

The problems met in the development of Filipino labor are varied and in this regard each branch of industry offers its own characteristic difficulties but so far, where intelligent effort has been enlisted, satisfactory solutions carrying with them most flattering results have secured marked recognition for the very high efficiency of the Filipino as a laborer. In previous articles on labor the FAR EASTERN REVIEW emphasized the necessity of patience, intelligent training, and competent supervision, with due regard for the comfort and health of the Filipino, if unit efficiency were desired. We have as a result received from almost every section of the archipelago striking confirmation of the possibilities of the labor material at hand in the successful development of creative enterprises that depend almost entirely for their existence upon labor availability. A striking illustration of the development of an organization originally comprising the crudest Filipino labor, where the individual increased his earning power by 50% and at the same time reduced the aggregate contract cost to the employer by 30% is given by H. G. Farris of Manila who was superintendent in charge of the loading and discharge of coal under contract for the United States Navy at Cavite for over seven years. On the result of his work Mr. Farris writes:

"I have been reading the articles on labor in the FAR EASTERN REVIEW and I am pleased to know that your magazine is endeavoring to do justice to the Filipino laborer, and if it be of interest I offer you the result of my experience at Cavite covering a period of seven years in charge of approximately 1,000 men daily employed in handling coal for the United States Navy.

"When I first took charge I found the Filipino very inefficient and it was necessary in the loading and discharging to sublet contracts to Chinese from time to time in order to fulfil our contracts promptly. I also recognized that both by dealing with Filipinos and subcontracting to the Chinese that the unit cost was exorbitant. I decided to investigate and found that the custom had been to divide the force of Filipino laborers into divisions and give each division over to a capataz who was not only responsible for supervision but was the avenue through which the

individual laborer received his pay. The wage was nominally P1 a day of nine hours but I soon discovered that the system of payment encouraged "squeeze" with the result that he received but a small share of what was his due.

"I immediately changed the system and paid each laborer direct from the cashier's office; assumed direct control of each capataz, and closely supervised the methods employed in handling the coal. I found many false motions, poor organization, and general ignorance of the advantages of working by system. I formed the numerous capatas into a class, personally went down into ships' holds and demonstrated to the laborers where effort might be saved to advantage by using their brains as well as their hands. I feel sure my initial demonstrations were resented but the fact that the laborers were now receiving full pay and I had established my authority by stopping the "squeeze" was in my favor. Results in greater efficiency were soon realized and within six months the Chinese contractor was unable to compete with my organization.

"From the day wage it was only a step to payment by the piece. I left it to the option of the individual laborer whether he would work by the day or the piece and when one division decided to adopt the latter method of payment, the results to them were so satisfactory that the whole force adopted it almost immediately. The outcome was that the average earnings of each laborer were increased in a short time to P1.50 a day; the efficiency of the organization was so enhanced that the following year the contractor was enabled to reduce his contract price by 30% and leave a larger margin of profit than in previous years. So you see the result was beneficial all round. The laborer received 50% more for his more efficient labor, the contractor increased his net earnings and the U. S. Naval department made a saving of 30% and had the benefit of a much more satisfactory service.

"I am not convinced, however, that without my personal interest in the welfare of the individual those results could have been accomplished. I started an insurance fund by inducing each Filipino to subscribe a centavo a day. This fund was disbursed to support the families of injured or sick men during the period they were under medical care. I also provided free hospital treatment, and made it a point to see

that the homes of the men were sanitary and that their food was wholesome. I encouraged them to discuss their everyday problems with me and soon found evidences of their appreciation and confidence in my purpose by the interest shown in their work.

"When I first took charge I discovered that the great majority of the men were weak and their bodies poorly nurtured. Their capacity to work was limited by lack of strength. I found upon investigation that the most of them went to work without breakfast. I saw that this was remedied. As soon as they began eating plenty of wholesome food regularly they carried on the work with greater zest and cheerfulness. At the end of seven years I venture to say that nowhere in the Orient had there been developed a more efficient body of working men.

"I have handled laborers in Mexico and have had more or less to do with Chinese and Japanese, and I am satisfied that none of those peoples have the inherent capacity to respond by increased efficiency to considerate treatment, and effective intelligent training and supervision.

"I have demonstrated the above not only in directing the work of a large force at the Naval coaling station but on the hacienda de Pinugay in which I am interested. I have forty families working on the plantation and while they work the land on shares, (this being the prevailing custom), they respond promptly to every suggestion looking to more effective methods of farming. I advance supplies at cost and without interest to be taken out of the division of the crops. They get two thirds of the first two crops on new land and subsequently one half. I find, however, that the hacendero who is looking for results must not confine himself to a cut and dried agreement. He must provide medical treatment, assume a paternal attitude in all private matters and in general take a sincere personal interest in the welfare of each and every family. I can assure you from my experience that no hacendero who undertakes any agricultural enterprise need fear for lack of competent labor if he take the pains to study local conditions and does his share to meet the requirements of the situation. To do this he must be absolute in his authority and he must be competent. And above all he must be firm, yet considerate, in the exercise of his authority."

tions on the table of the National Assembly for consideration and approval! This is the rock upon which the Manchus were wrecked.

Never in the history of China has such a wave of indignation deluged Peking. Protests came from every Provincial Assembly, every railway company, every newspaper, every self-government society, every association of men who could, in truth, raise the money to pay for the telegraph charges for a memorial. The Government was compelled to notice the outburst. Indeed it in time became so emphatic that they had to look for means of escape, and, after much agitation and open hostility on the part of the populace of Szechuan and little thought on their own, they decided to cashier Sheng and chase him ignominiously from office. Though the people may have been right to vigorously protest against the methods adopted by the Government in introducing such a far-reaching policy without enabling the Assemblies to discuss it, the Government branded itself as absolutely spineless and ungrateful by hounding Sheng from his post.

THE SZECHUAN RAILWAY REVOLT.

Certainly the revolt which sprang up in Szechuan was serious enough to call for some action on the part of the Government, but the dismissal of an officer whose plans the Government had approved by Imperial edict was not one to commend itself to the thinking part of the populace.

So far as Szechuan is concerned there are reasons to believe that the agitation was worked up there by those who would have much to lose by reason of government control of the railways, and the weakness of the Government in overthrowing Sheng demonstrated to the man in the street that the powers that be at Peking would do anything in their panic to cling to office. And from passive resistance of the railway policy, commencing on August 24, at Chengtu, the capital of Szechuan, the agitation gradually grew to open resistance of the Government. The Revolutionary bodies came in early and offered to supply arms to the railway agitators to make open war on the Manchus but the offer was repeatedly resisted. Meanwhile the other provinces were inundating Peking with protests, and meetings throughout the country were the order of the day. Dele-



THE LATE GEN. WU LU CHEN
COMMANDING 6TH DIVISION OF IMPERIAL
FORCES. APPOINTED GOVERNOR OF
SHANSI, MURDERED BY MANCHU
TROOPS WHILE ON HIS WAY TO
ASSUME COMMAND.



PRINCE TSAI FU,
GENERAL OF THE IMPERIAL GUARDS.—SEC-
OND SON OF PRINCE CHING.

gates were appointed by various "Railway Protection Societies" to visit Peking, and whilst their first intention was to absolutely oppose foreign loans the attitude was ultimately modified to a claim that the various matters under protest should be put before the National Assembly and that the Government should abide by whatever decision was come to.

In Szechuan the fire continued to spread; from Chengtu it leapt to various cities in the province, and quickly it began to assume a serious aspect. The appointment and departure of Tuan Fang to explain the railway policy, and the despatch of Tsen Chen-hsuan, as Viceroy, in place of Chao Ehr-feng, but fanned the flames. Both had troops, and the Szechuanese naturally asked, why troops if the mission is peaceful? And the failure of a satisfactory reply gave them the first inducement to openly take up arms against the Government.

The mission of Tuan Fang, who was ultimately murdered, very slowly crept up the Yangtze River to Ichang and beyond, but that of Tsen Chen-Hsuan got no further than Wuchang. He bided his time there pending the outcome of Tuan's venture, but in planning to avoid being personally embroiled in the Szechuan affair, he was almost involved in the rising in Wuchang which signalled the outbreak of the revolution against the Manchus, and his was a narrow escape.

GROWTH OF ANTI-MANCHU SENTIMENT.

The events in Szechuan and the attitude of the Throne with respect to local matters in China proper contributed to the blackening of the cloud quickly rising round the whole horizon. The newspapers, the returned students, and the avowed revolutionists were carrying on a hot campaign against the Government and the situation was auspicious for revolutionary propaganda work. Never before had the general public mind been so disturbed as it was in the latter half of last year; never before had it been so receptive. Any doctrine demonstrating how the country could be benefited by the expulsion of Manchu domination was eagerly listened to, and the successful resistance of the Szechuanese, combined with the tremulous and timorous attitude of the Throne, emboldened the erstwhile ultra-cautious to daringly criticise the actions of the Manchus in particular and the officials in general.

Some of the elder among the officials confessed before the Szechuan outbreak that the outlook was ominous. They based their opinions upon their rise to power and consequent "squeezing" of the young princes after the fall of Yuan Shih-kai, and the irritation thereby caused in the provinces. One of the eldest, and perhaps most loyal of the old-style officials, indicated to the writer in September that the ruling house was rapidly riding for a fall, but the fall came before he anticipated. He stoutly averred they would be able to put down the Szechuan rising and the subsequent revolt at Wuchang, but he was wrong, and the opinion is merely mentioned to show that even on the higher rungs of the official ladder where the blatant noise of the rabble cannot penetrate, there was a lookout being kept for disaster.

A revolution was inevitable. The temper of the people was such that overt action against the Throne was looked for as a relief to tense feelings; and it was looked for in Kwangtung, Canton had been the centre of an attempt upon the Viceroy in April, and it was the seat of aggressive revolutionists. They had killed Tatar-General Fu Chi on April 21, and seven days later had made an effort to take the city. The lack of military support, and the swift action of the officials in suppressing the daring men



MAJOR GENERAL HO CHUNG-LIEN
COMMANDING 1ST DIVISION OF THE IMPERIAL
ARMY IN MONGOLIA.



PRESIDENT YUAN SHIH-KAI

who broke into the Viceroy's Yamen and set it afire, was considered as sufficient to spur them to further activity. On that occasion the present minister of war, Huang Hsin, was the leader, and when the troops descended upon his band and scattered them he fortunately escaped with the loss of a couple of fingers. Others paid the penalty for their then rash patriotism by losing their heads beneath the swords of the executioners, and several were killed in the fray. There was great depression in the ranks of the Ko Min Tang, the society headed by Dr. Sun Yat-sen, at this failure, and had it not been that the Government continued to feed the fires of discontent throughout the provinces by pursuing a policy of absolute suicide it is quite possible that the overthrow would have been considerably delayed and perhaps averted.

The worst enemy of the Manchu was the Manchu Court itself. As it was the revolutionists gained encouragement daily to pursue their plots. In Canton the officials made further immediate activity impossible, and small gangs of men spread in the adjoining country and endeavored to put fear into the hearts of the enemy in Peking by killing the Prefect of Shihing and the Magistrate at Samshui. Thousands of merchants and residents left Canton and the neighboring cities for Hongkong and Shanghai, and quiet and tranquillity was not again restored there. The disaffected foreign drilled troops were prevented from joining in an overt campaign by being disarmed and locked in barracks, and the attention of the leaders of the revolutionary party had to be directed elsewhere.

Nevertheless the Manchus in Canton were kept upon absolute tenterhooks, and the proclamations issued to the revolutionists and would be revolutionists to guard foreign life and property boded no good for the bannerman who had been, as their forefathers for centuries before them, battenning upon the Cantonese. In other days the Manchus had been able to divert attention from themselves by turning desire for blood toward foreigners. Now that was impossible. The revolutionists were developing in their ideals. Their campaign was to oust Manchus only and give safe conduct to all others who did not sympathize with the ruling race. Grave uncertainty reigned right through the months in Kwangtung until Wuchang rose, being accentuated in August by the attempt to blow up Admiral Li-chun with a bomb, and even afterwards, despite the constant surveillance of the loyal troops, by the destruction of Tartar-General Fung Shan, upon his arrival to take up the duties of his murdered predecessor on October 24.

THE OUTBREAK OF THE ANTI-MANCHU REVOLT.

While eyes were strained upon Kwangtung watching for the commencement of an organized move to overthrow the detested Throne, the revolutionist leaders were plotting and planning in Wuchang. Time had been given them to secure the co-operation of certain sections of the garrison when the occasion demanded, and the greatest care was being taken to prevent any possibility of a misfire. Despite precautions, however, traitors conveyed information to the authorities and on October 9 a raid was made which led to the capture of some of the leading members, and they went to their death beneath the sword of the executioner next morning. Viceroy Jui-Cheng and Tartar-General Chang-piao hunted revolutionists like rats for the day, but it was of no avail. The leaders who escaped the raid determined to put in operation their plans that night (October 10), and their schemes in this connection were made all the more imperative of development by the accidental explosion of a bomb in a house on the Russian Concession at Hankow on the previous afternoon. As a result of that the plans for the seizure of Wuchang, as well as a list of names of prominent members of the revolutionary organization were taken, and it was essential to operate swiftly. The word was carried to the Thirty-first regiment of infantry, who were to commence the outbreak, to be ready at 10 o'clock, and all other agents available were notified to be prepared to do their part. Earlier than expected the alarm was sounded, and the manner of it is worth recording in detail since from that action has arisen a state of things in China which has astounded the world.

A revolutionist recounts the following as the initial incident: "Before the appointed hour a guard named Tai Tsao set fire to the drill platform and some ten soldiers fell out with the policemen in the Tatsao-kai, where they fired at each other with rifles. In the meantime all the sappers and miners were prepared and ready but dared not break out into revolution. Unexpectedly Tao-Chi-sun, a corporal of the second corps, when inspecting the camp, found in King Shao-lung's ammunition box several rounds of cartridges. Beating King in the face he shouted: 'You want to mutiny!' King Shao-lung, a zealous revolutionary soldier, was terribly enraged by this insult, and grasping the corporal's neck pushed him down on the bed shouting, 'Mutiny! Mutiny! Mutiny!' His loud cries attracted the attention of all the other soldiers and Kiang Shi-hsu, Wang Chung-nie, and Chen Ching-ying came rushing to the bedroom upstairs armed with rifles. They shot the corporal dead, and when they were going downstairs they were resisted by another corporal, Chang Wen-tao, with sword in his hand. They killed him, too, with their bayonets. The soldiers then met sergeant Yuan Yung-fah a little distance further on. He tried to stop them by pointing his rifle at them, but he shared the fate of the other two." Thus was the alarm sounded and the most remarkable revolution in modern times begun.

DEVELOPMENT OF THE REVOLUTION

How the city of Wuchang fell into the hands of the revolutionists, how the Viceroy and the Tartar-General escaped, how General Li Yuan-hung was elected to the command of the revolutionary forces are too fresh in the public memory to need recapitulation in detail. Suffice it to say that the license originally given to kill Manchus was quickly cancelled and hence forward the revolution was conducted upon lines that have not only commended themselves to the world but have astonished those old residents of China who could never think of a possible upheaval without imagining the extermination of foreigners as a result. The first proclamation issued under the seal of General Li Yuan-hung within a week of the outbreak practically set the tune for the whole campaign, and inasmuch as it has been adhered to in the main it is perhaps worthy of reproduction. It is as follows:—

"I, the Hupeh General of the People's Army, am to overthrow the Manchu Government, and am here to revive the rights of the Han people. Let all remain orderly and not disobey military law.

"Those who conceal any Government officials will be beheaded.

"Those who inflict injuries on foreigners will be beheaded.

"Those who interfere with commerce will be beheaded.

"Those who indulge in wanton slaughter, burning, or rape will be beheaded.

"Those who fight against the volunteers will be beheaded.

"Those who attempt to close the shops will be beheaded.

"Those who supply the troops with food-stuffs will be rewarded.

"Those who afford protection to the foreign concessions will be highly rewarded.

"Those who guard the churches will be highly rewarded.

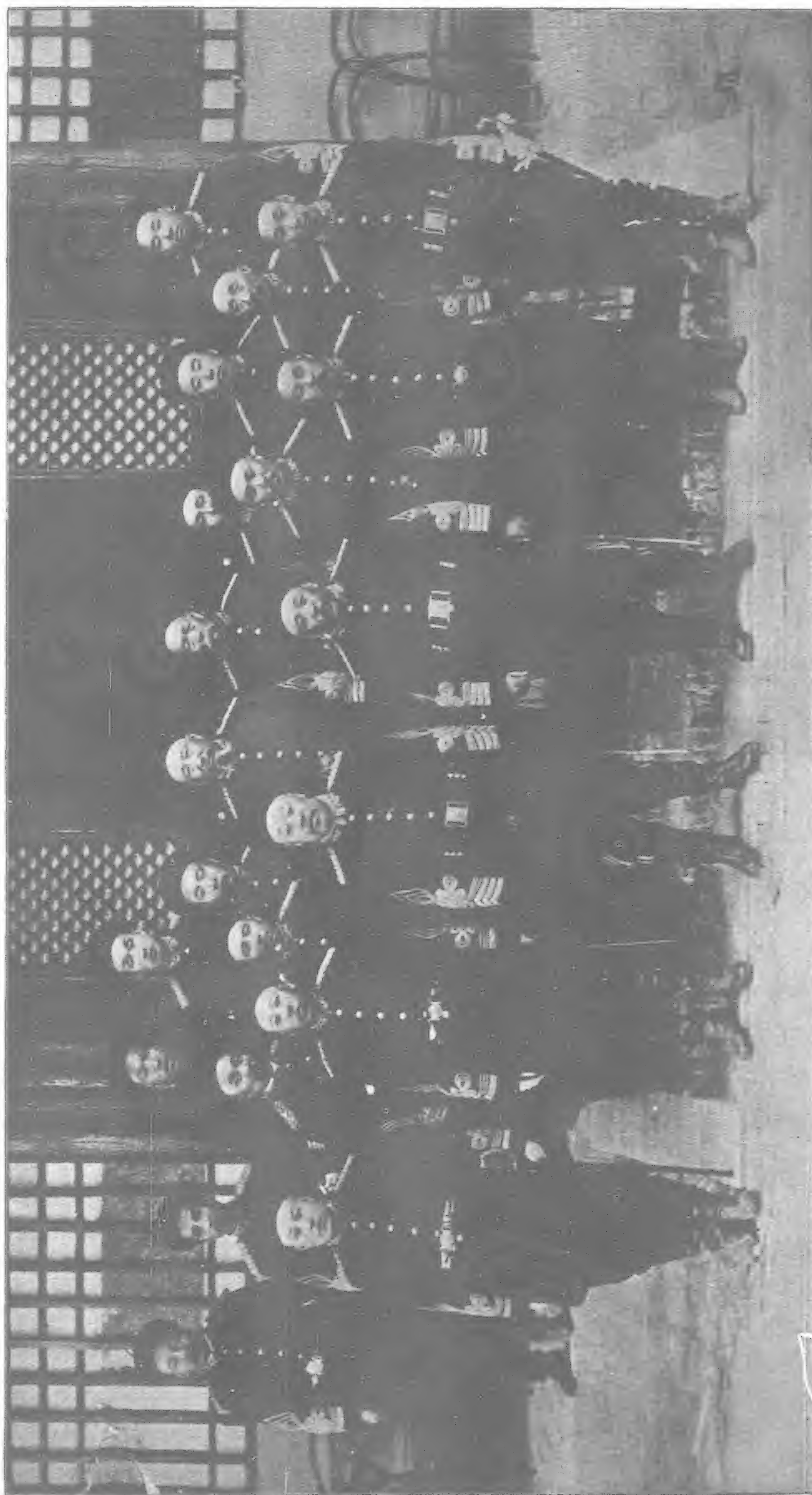
"Those who lead the people to submission will be highly rewarded.

"Those who encourage the country people to join the revolution will be rewarded.

"Those who give information as to the movements of the enemy will be rewarded.

"Those who maintain the prosperity of commerce will be rewarded."

Establishing a provisional government on October 15, with headquarters in the erstwhile Provincial Assembly buildings, Li Yuan-hung and the youthful colleagues by whom he was surrounded—for few of them were above thirty years of age, and all were returned students either from Japan or Anglo-Saxon countries—commenced a constructive policy that anchored the revolutionary movement securely in the sympathies of the people. Laudatory articles began to appear in the native papers and the foreign,



extolling the virtues of the leaders and the restraint of the rank and file of the revolutionaries, and between the lines marvelled at the progressive measures being adopted for the establishment of what was then proclaimed as the Republic of Hupeh. All through the country, south of the Yangtze especially, the telegraph lines carried the startling news that Imperial men had been put to route, that Han-yang with its arsenal and its great ironworks still belched the smoke of industry unmindful of the activity of the soldiers throw-

ing up breastworks about the hills and mounting cannon to resist the forces that must surely come from the north to try and once again assert Imperial authority. The picturesque yellow dragon flag was torn down from its staffs above forts and institutions, and a white emblem floated in its place bearing the Chinese characters to represent the legend "Restore the people of Han—exterminate the people of Man." From the house tops and the awnings white flags flouted the sky, and men high and low bore on their arms white bands

THE ORGANIZERS OF CHINA'S MODERN ARMY.

FRONT ROW, FROM LEFT TO RIGHT: COLONEL YEN TUN-YUAN; COLONEL CHAO CHUNG-SAN; TIEH LIANG, WAR MINISTER 1908; YUAN SHIH-KAI, COMMANDER IN CHIEF; GENERAL FENG WANG-FU; GENERAL WANG. MIDDLE, FROM LEFT TO RIGHT: SURGEON GENERAL HSU HUA-CHING, DIRECTOR OF PEIYANG ARMY MEDICAL COLLEGE; PAYMASTER GENERAL LU, DIRECTOR OF PEIYANG TREASURY; GENERAL FENG YU-MUN; COLONEL LO LANG-TSAI; GENERAL TIENG TSUNG-YU; GENERAL HSU KOU-CHUNG; GENERAL SHA SIN-YU; GENERAL TUAN CHIH-KUEI; GENERAL TUAN TSU-CHUN; COLONEL CHUN HSU-FENG; GENERAL MA LING-PIAO. BACK, FROM LEFT TO RIGHT: PAN CHING SAN; COLONEL YUN YU-TSUN; BRIGADIER GENERAL CHANG HUAI-CHIH.

of allegiance to the cause. All this was told to the wondering people of the country, and fired their blood. Cities in the near vicinity and the far immediately showed signs of unrest. Imperial officials hastened to launch schemes to maintain their dominance and exterminate the queueless Chinese adjudged as the conspirators to undermine Manchu influence. To be without a queue was sufficient to condemn. Lives were sacrificed right and left. Innocent went to the executioners' swords with the guilty. Terror reigned amongst the moderns in the cities of the provinces. For a time the minions of the Manchus prevailed, but the destiny that shaped their ends, rough-hew them as they would, could not be averted. Implacably the revolutionary juggernaut rolled down upon them. The wise gave up their seals and fled early—the unwisely loyal suffered the extreme penalty of the new law. Fate stalked abroad in the guise of the queueless men of the Han, and ere a month or two had past it was realised that "what fate imposes, men must needs abide—it boots not to resist both wind and tide." As the Epigoni of old came back to Thebes so came the men of Han to their own in China, though they did not so widely destroy.

Extraordinary is scarcely the word to convey the manner in which order was preserved in the cities which came within their jurisdiction, and though lawless characters in the country seized the opportunity to wipe out old scores, to take revenge, and whatever portable valuables were available, the bloodshed or the pillage were not a tithe of what was expected in such a time



GEN. HA HAN-CHANG.

in China. Throughout the provinces revolutionary proclamations urged justice for all men, and agents strove to stem the panic ensuing in a thousand different quarters. Peaceful peasants left their land and city residents gathered their valuables into bundles and fled they knew not whence and from they knew not what: trade succumbed, and industry stagnated. This was the worst general feature of the turmoil of the early days, but as soon as the frantic people learned that the revolutionary soldiers could march abroad and leave intact the towns and villages through which they passed confidence came back and deserted homes were once again inhabited.

Foreigners in the outlying places were unmolested where revolutionary soldiers were in control, and none felt the need of leaving their stations. This is the bright and outstanding feature of the upheaval, though unfortunately some hapless foreigners were slain in Szechuan and Shensi.

Meantime the Republic of Hupeh called upon the other provinces to declare independence of Manchu rule, and as quickly as could be done this advice was followed. Misunderstood by many foreign publicists this move was, in the early stages, interpreted as the break up of China—the wreck of the empire into a hetero-

geneity of irresponsible individual states. The plan was the only feasible one, and the wise one, for the revolutionists to follow. Their endeavour was to avert general bloodshed. They aimed at confining warfare to those quarters where Imperial soldiers would be concentrated to resist, to have peace and a continuance of commerce and trade in the others.

At Wuchang, General Li Yuan-hung, General Huang-hsin, and their supporters strove with might and main to make the positions within their grasp impregnable, and to knock into shape for soldierly activity the thousands of recruits who came to their banners. The arsenal at Hanyang worked night and day turning out ammunition and weapons, and the raw men from the fields and the factories were armed and uniformed, but only indifferently drilled.

The small group of loyalists encamped on the line north of Hankow would, they knew, quickly be re-inforced by regulars from Peking and the northern garrisons, but it was hoped that they would make common cause with their countrymen when they arrived and so avert any prolonged hostilities. The Wuchang leaders knew they were ill-equipped for battle with the trained and sturdy men of the north, but they relied upon blood-ties, sentiment, sympathy, and race prejudice to turn them from adherence to the cause of the effete monarchy. To their surprise the ultimate result was not as expected. The northern soldiers fought—and fought stubbornly and well. Had the revolutionary leaders expected for a minute that their overtures would have been repulsed, the line between Hankow and Peking would have been cut. It was left intact so that all the troops

GENERAL WONG HUI CHENG,
DIVISION GENERAL, NORTHERN ARMY.GEN. WANG TUNG-CHI,
DIVISION GENERAL, NORTHERN ARMY.

THE RULERS OF MONGOLIA



PRINCE HA SHIHTA
PRINCE KAO

PRINCE PING-TO
PRINCE ENG

PRINCE CHING

PRINCE CHAO
PRINCE SITSEH-LO

DUKE TAH
DUKE CHI

THIS PHOTO OF THE MONGOLIAN PRINCES WAS TAKEN DURING THE PERIOD OF NATIONAL MOURNING



THE MONGOLIAN INDUSTRIAL COMMISSION

MOST OF THE IMPORTANT RULING PRINCES AND DUKES OF MONGOLIA ARE IN THIS GROUP



THE MONGOL PRINCE TU SHIH-TU

possible could be conveyed from the north and be ultimately brought beneath the new republican banners for an advance against the capital. The Wuchang garrison had reason to regret that it trusted to blood-ties and sentiment. The northern men evidenced that they cared not for what the Han men of the centre and the south were fighting; and they fought and despoiled the land after the manner of their tradition.

THE RECALL OF YUAN SHI-KAI

The daring and systematic proceedings at Wuchang failed during the first few days to really disturb the Throne. Like many another sporadic outburst it would, they believed, be suppressed, but by the fourteenth of October terror began to take possession. In their extremity the Manchus had been seeking for some man of strength and standing to espouse their cause and could find none in their own ranks. On craven knees they turned to Yuan Shikai, the man they had so ingloriously cast out three years before—and implored him to come to their aid. He was appointed Viceroy of the



THE MONGOL DUKE AH

Hukuang provinces. Yuan [was in] a difficult position. On the one hand the progressives were fighting to uproot the reactionaries—his enemies. He a progressive himself, though not a revolutionary, was here called upon not only to support his enemies but to suppress by force men of his own principles and blood. No one will ever know the thoughts that revolved in the innermost cells of the brain of Yuan at that period, and theories are futile. A dozen different reasons can be given for the action which Yuan ultimately took. Some can be given why he should not have taken it. He accepted the post. His rise was watched by the people of the south as the mouse is watched by the cat. Some expected that the war would cease; it did not. Quickly as possible the Imperial troops, which were being drafted to the autumn manoeuvres, were being sent down the line to Hankow under the control of General Yin Chang, the Minister of War. A preliminary skirmish with the loyal troops which fled from Wuchang



DUKE TO (MONGOL)

with General Chiang-piao was transformed by the Peking Government into a great "victory," and the news was flashed broadcast in an endeavour to extinguish the fires of revolt fast spreading athwart the continent. The Imperial exultation was doomed to be short lived. The "battle" resolved itself into a freakish experiment with arms by a mob of recruits, anxious to test the warlike weapons in their hands. Even against this motley crowd the loyalists were not successful. Then came Admiral Sah's fleet to Hankow (not as it happened to lend much assistance to the Manchus) and the northern men ultimately pushed down to the front.

IMPERIAL SACRIFICE OF SHENG HSUAN-HUAI.

The continued movement about Wuchang was chronicled in detail by the press, and reports of grave and exciting doings came from all quarters. In its turn every city along the Yangtze was declared to have fallen to the revolutionaries long ere it did, and most direful but imaginative scenes were chronicled. However, the time came for them all. Ichang went over on October 22, Changsha and Kiu-



PRINCE CHING (MONGOL)



DUKE TU (MONGOL)



DUKE KUN (MONGOL)



DALAI LAMA OF TIBET.



THE KHAN OF KHOTAN.

kiang on the 24th, and Siansu on the 25th. The fall of this ancient capital of Shensi, which past associations should have bound to the Imperialists, came as a heavy blow to Peking, and with it went the Manchu hold upon the province. With it went, too, their hold upon themselves. Terror-struck they began to feel that resistance by force of arms was becoming useless in itself, and that some immediate concession would have to be made to silence the insistent cries sweeping up from the provinces against them. However, they trusted that Yuan Shih-kai would yet pull them out of the quick-sands into which they were rapidly sinking and sent him telegram after telegram imploring him to devise means to save them. Such a pitiable exhibition has scarcely ever been paralleled in history. Then the National Assembly at Peking entered into the arena. They memorialised the Throne urging that Chao Erh-feng (Viceroy of Szechuan), Jui Cheng (Viceroy of Hupeh), and Sheng Hsuan-huai should be "sentenced to death in apology to the nation," and, particularly, they impeached Sheng for his loan policy. Whilst the Throne could not see its way to executing Sheng, having previously confirmed his policy, they had no particular compunction about the others, and they jumped at the opportunity of appeasing the people by degrading Sheng. On the 26th he was offered up as a sacrifice, the Edict accusing him of "deceiving the Throne, acting against the law and causing the enmity

FAVORITE WIFE OF THE KHAN
OF KHOTAN.



GEN. FENG KUO CHANG,
OF THE IMPERIAL ARMY.

of the people; using his authority beyond legal limit, sending memorials over his own signature on matters that should have gone before the National Assembly," and in fact of having started the revolution. "The matter of the nationalization of the railways," continued the Edict, "was decided upon by the Throne with a view to giving benefit to the people, but having failed to carry out the real policy of the Throne, and to manage it properly, Sheng Hsuan-huai cannot escape the accusation of having misused his authority against the law, and we hereby cashier him not to be re-employed in the Government service for ever." He was compelled to flee to the Capital after taking refuge in the American Legation, to escape assassination settled temporarily in Tsingtau, and later fled to Japan where he is in



JUI CHENG,
VICEROY OF THE HUKWANG PROVINCES AT
THE OUTBREAK OF THE REVOLUTION.

refuge at present. This act on the part of the Manchus was to have a signal effect upon the revolutionaries. It pleased them, but they de-



GEN. WANG LIEN-CHIU,
OF THE NORTHERN ARMY.

tected lamentable weakness and grew bolder in their claims, and more strenuous in their efforts to defeat the Imperialists now engaging them at Hankow. In the Capital panic began to reign; people packed and fled.

The National Assembly in its search for ways out of the difficulty demanded at its meeting on October 27 to memorialise the Throne to appoint men of ability to form a cabinet; to consult the representatives of the people in compiling a constitution; to release all reformers imprisoned in China and pardon those exiled abroad so as to show them leniency, and to severely punish those officials who have caused trouble.

The Throne was ready enough to do anything calculated to minimise the danger in which it stood, and promptly announced that



LIEUTENANT GENERAL CHANG PIAO AND STAFF,
COMMANDER-IN-CHIEF OF THE IMPERIAL ARMY AT WUCHANG AT THE OUTBREAK OF THE REVOLUTION.

Yuan Shi-kai would be appointed Premier upon his arrival from Hupeh. But his hesitancy to come boldly out and take up the post which he had accepted originally as Viceroy of the Hukuang did not contribute to pacification. Instead, the revolutionists were encouraged to believe that he would think better of his original consent and refuse to go to the capital, whilst the members of the Court continually humiliated themselves in their endeavours to induce him to assume control. Yuan pleaded that his rheumatic leg was too bad to permit him to leave his home. Hastily went back a rescript imploring him to heal it quickly. The ironic humor in Yuan's reply may be appreciated when it is remembered that the Throne used the "rheumatic leg" of Yuan as one of the excuses for his dismissal in 1908.



GEN. WANG MEI-KEI
OF THE NORTHERN ARMY.



GEN. BARON FENG KUO CHANG
OF THE IMPERIAL ARMY, CREATED A BARON
FOR RECAPTURING AND DESTROYING THE
CHINESE CITY OF HANKOW.

On October 27 he was, by Edict, given supreme command of the Army and Navy. Even the Minister of War was placed under him, and it was expected then that some definite steps would be taken by him to come to terms with the revolutionists. He did make overtures, but they were not of a character to meet with the appreciation of the party which by this time virtually had command of the Yangtze Valley. Yuan wanted them to agree to accept a limited monarchy and a constitution. Li Yuan-hung replied that the offer came too late, and demanded in return the abdication of the Manchus. Monarchist as Yuan then was he could not agree to such a drastic step in so short a while, and fighting went ahead with more vigor than before. The troops of General Yin Chang were daily being transported to the front at Hankow, and until the Lanchow contingent of 6,000 refused to entrain for Hankow when ordered to do so, it looked

as if the northern army would readily continue to fight for the Manchus. They instead wired the Throne to grant an immediate constitution, and by so doing threw a bomb-shell into the Capital. They demanded " (1) The lineage of the Imperial Throne to be properly decided; (2) The rights of the people to be respected; (3) The use of the army to be properly defined; (4) The authority of Parliament to be extended; (5) The responsibility of the Cabinet to be made absolute; (6) Cruel Administration to be abolished; (7) No distinction of races to be allowed; (8) The principle of Constitution to be based on the British constitutional monarchy system." This looked like the arrival of the revolution dangerously near the front gate of Peking, and in a quarter believed to be free from disaffection.



GEN. HSU CHING-AH
OF THE NORTHERN ARMY.



NA CHIN AND THE OFFICERS OF THE 20TH DIVISION OF THE IMPERIAL ARMY.



GEN. CHUN WANG PANG
OF THE IMPERIAL ARMY.



GEN WU LU CHEN
GOVERNOR OF SHANSI, MURDERED IN DECEMBER
BY MANCHU SOLDIERS.



GEN. TANG YU SUN
OF THE NORTHERN IMPERIAL ARMY.



GEN. LIANG PI

CHIEF OF THE GENERAL STAFF OF THE MAN-
CHU GOVERNMENT, AND LEADER AGAINST
ABDICATION. VICTIM OF A BOMB
EXPLOSION AT PEKING

ABASEMENT OF THE MANCHUS.

If the Manchus were startled before they were now in the throes of absolute panic, and whilst preparations were being made for the flight of the Court the princes met in solemn conclave and devised an edict of a most abasing character—abasing, that is, when the erstwhile arrogance of the Court is remembered. Only a few days before an Edict had been issued in which the Throne pretended to regard the disturbances in the provinces as of no particular moment, and in view of the humiliation that was subsequently heaped upon the unoffending head of the baby emperor by the edict of Octo-



COL. CHANG

CHIEF 4TH DIVISION IMPERIAL GENERAL STAFF,
ENGLISH SECRETARY OF THE NATIONAL
ANTI-OPIMUM SOCIETY

ber 30, it is interesting to quote the one of a few days before.

"In the past two months," it stated, "there have happened disturbances in Szechuan and Hupeh, both having been caused by 'Feitang' (bad characters and partisans) secretly scheming for rebellion, causing harm to peace and tranquillity. We have been very lenient all the time in our administration, and all the people are looked upon as on equal footing, and we have never committed any cruel acts. This



SHOU HSUN

IMPERIAL VICE-MINISTER OF THE ARMY

time the rebellious people, without any adequate reason, have caused trouble and occupied walled cities, thus causing much disorder and depriving innocent people of peaceful life and occupation. The crime of the person who caused such trouble as their chief is the worst kind, and no law can allow it. However, those who



NA CHIN

PRESIDENT OF THE NOBLE'S COLLEGE.
BROTHER OF NA TUNG

have been compelled to join them by threats, either soldiers or ordinary people, cannot be reckoned the same as those who maliciously joined the rebels, and therefore if such soldiers or people will repent we will pardon them. If there are any who will kill the enemy and show their merit to the state, or who will capture the rebels they may be duly rewarded, and if any list of rebels be found, such list may be destroyed so as not to cause the arrest of any innocent persons whose names are merely mentioned there. The bad effect of the troubles in Szechuan and Hupeh is beyond description, but those distant from the scene of the troubles are also suffering from wild rumours and are much affected, taking refuge in safer places. We hereby order Yuan Shih-kai, Yin Chang, Tsen Chun-hsuan and Tuan Fang to obey the Imperial wishes to show the public the Imperial desires on their way, so as to relieve the good people. It is also ordered to tell the military and ordinary people that they should not be tempted by bad mistaken views, and not believe any wild rumours which are generally



GEN. TIEN WEN-LI
OF THE NORTHERN ARMY

ple really did have adequate reason for their actions.

THE "APOLOGY" EDICTS

Said the baby Emperor:

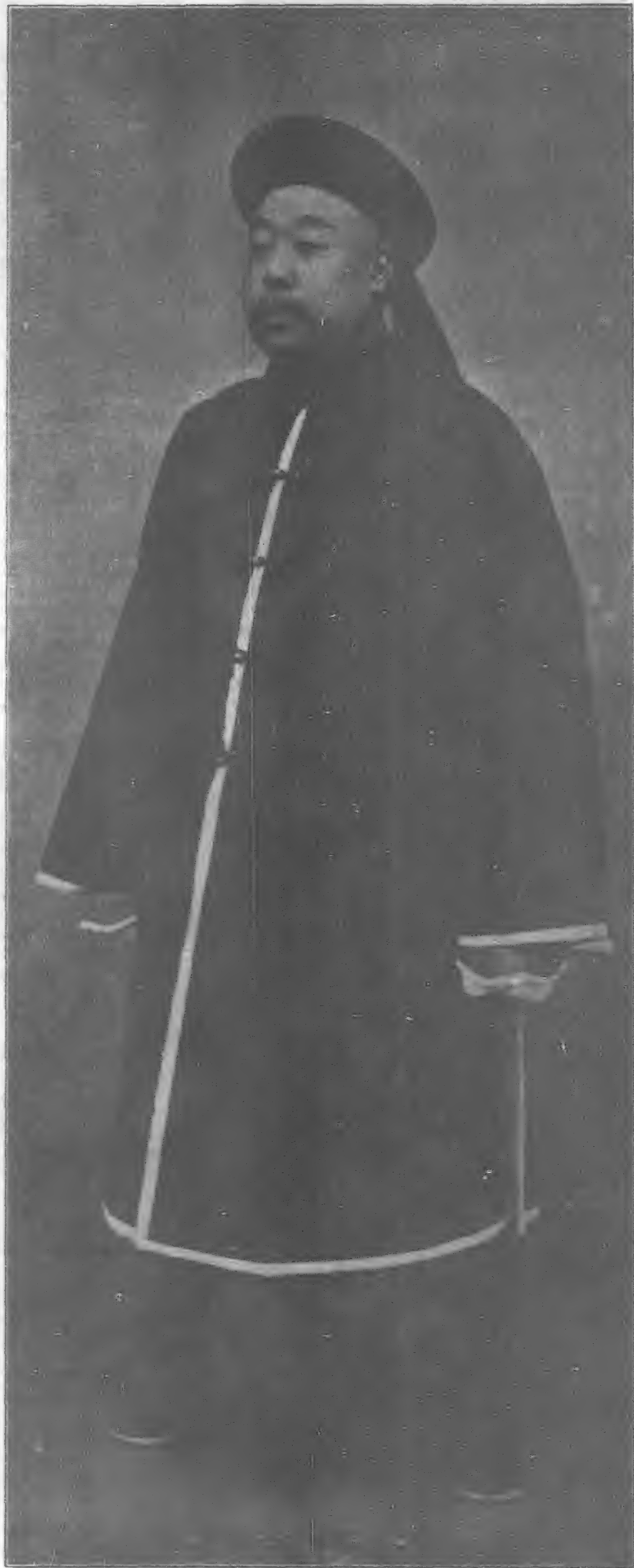
"Three years have passed since we succeeded to the Throne and we have endeavoured sincerely to meet the desires of the general public. However in employing officials there have been no proper measures, we have not been able to administer properly, and there are many im-



LIEUTENANT GENERAL YIN-GHANG
IMPERIAL MINISTER OF WAR

much exaggerated. After the Imperial Decree all the military and ordinary people should see where justice is and where their interest lies, and attend to their ordinary daily life contented with their respective lots so as to meet our sincere idea of loving our own people with the desire of having peace in the Empire."

This "benevolent" edict had no more effect upon those to whom it was addressed than would an appeal inviting the population to stand upon its collective head. It was in fact ignored, and only that it states that the people were rebelling "without any adequate reason," and illustrates the superior and lofty manner in which the Manchus pretended to regard the revolution, it would scarcely be worth mentioning. Its tone, however, is decidedly interesting when compared with the edict of October 30, in which the Manchus crawled to the dust in their endeavour to ward off the storm obviously threatening to submerge their Throne, and in which the confession was willingly enough made, if it could save them from expulsion, that the peo-



TIEH LIANG,
FORMER PRESIDENT OF THE ARMY BOARD, TARTAR GENERAL AT
NANKING, PERSONAL ENEMY OF YUAN SHIH-KAI, NOW
STIRRING UP TROUBLE IN KANSU



GEN. TUAN CHIH-JUI
PRESENT MINISTER OF WAR



MAJOR GEN. FENG SHAN
TARTAR GENERAL OF CANTON MURDERED BY
THE REVOLUTIONARY



GEN. CHANG HSUN
COMMANDING THE IMPERIAL FORCES DRIVEN
OUT OF NANKING

perial clan people in the government which is not in order with the constitution.

"In regard to railway affairs mismanagement has caused criticisms from the public.

"In effecting reforms officials and gentry have tried to gain their own private profit.

"In abolishing old systems those in power have tried to benefit themselves by gaining people's property and not giving any benefit to the people.

"Regarding the matter of justice there is no one who respects laws and thus many grie-

vances are expressed. We had not expected such serious affairs.

"Then the troubles in Szechuan have come and the Hupeh disturbances have followed. Now we hear of the bad news of Shensi and Hunan and of the troubles in Kwangtung and Kiangsi. We see much excitement among the people and our ancestral temples are much surprised, while our good people suffer from these.

"All these are due to our own fault. Therefore we hereby promulgate this Decree to the public and we swear to our people that we will

recommence our reform movement and effect proper constitutional government system and regarding the legal system and various state affairs the shortcomings and improvements will be duly attended to either to rectify or carry on consulting public views.

"If there are any systems or laws against the principle of the Constitution we will abolish them in toto.

"We will carry out the abolition of distinctions between Manchus and Chinese as the late Emperor frequently decreed.



GEN. HSU PANG-CHIEH
BRIDGE COMMANDER, NORTHERN
ARMY AT CHENGTINGFU



PRINCE YU LANG
IMPERIAL GUARD COMMISSIONER



ADMIRAL LI-CHUN
IN COMMAND OF IMPERIAL NAVAL
FORCES IN CANTON



CHAO EHR-FENG
VICEROY OF SZECHUAN, COMMITTED SUICIDE
DURING REVOLUTION

CHAO EHR-HSUN
VICEROY OF MANCHURIA DURING
REVOLUTION

"The troubles in Hupeh and Hunan are due to military affairs, yet Jui Cheng and others have misused their power and have enraged the army to cause troubles, and it is not the case that they have caused troubles without reasons.

"We simply accuse ourselves of our mistake of having employed Jui Cheng in the important post. Therefore if any soldiers will become loyal we will not accuse them of their conduct, not question their past.

"We now stand before you, our subjects and people, without having done any good; have caused a disaster of high degree; we have caused the greatness of our ancestors to fall to the ground by our maladministration, and it is no use to regret it now.

"We have no other course to take but we simply rely on our nation and people and our military to help us for the welfare and happiness of our people to strengthen our Imperial dynasty for ever under one lineage and to have constitutional government established.

"In these disturbances we hereby try to regain our strength by turning the crisis to the benefit of China for which we have to appeal to the loyal and sincere feeling of our people on which we depend for ever.

"At present there are many important questions regarding foreign affairs and finance. Therefore our people should unite in one mind; we are doing our best. However our people, not knowing the general situation, are frequently incited by bad people and cause serious troubles, and therefore we feel deeply anxious about the future of China and are thinking of the welfare of our people day and night and we



GENERAL CHANG SHOU TSENG
WHO FRAMED THE MEMORABLE CHINESE
PETITION OF RIGHTS EMBODIED
IN 19 ARTICLES



WU CHEN
VICE MINISTER OF THE INTERIOR IN LAST
IMPERIAL CABINET



HON. YU PANG HUA
VICE PRESIDENT OF THE CHINESE ANTI
OPIUM SOCIETY, PUBLISHER OF THE NA-
TIONAL DAILY NEWS, AND LEADER OF
THE DEMOCRATIC PARTY IN THE DIS-
SOLVED NATIONAL ASSEMBLY



CHI YAO-LING
GOVERNOR OF HONAN

hereby decree to let our people know our position clearly.

"The National Assembly has sent in a memorial asking for an Imperial Decree to be issued granting the said Assembly the right to discuss the constitution. For three hundred years our Imperial Dynasty ruled the Empire and our late Empress Dowager and the late Emperor, seeing the critical condition of the Empire, decided to effect reforms in the basis of the government and issued Imperial Decrees several times clearly deciding to effect a Constitutional Monarchy for China and issued also the matters for preparation for constitutional government systems.

"The programme for such preparations has been carried out annually and while we are still young we ascended the Throne and sincerely desire to attend to the programme laid down by the late Emperor.

"In the 10th Moon of the last year the said National Assembly sent in a memorial to open parliament at an early date and we have decided to open it in the 5th year of Hsuan-tung and also appointed Prince Pu Lun and others to compile the draft of constitution which we will decide.

"Now the said National Assembly sends in a memorial saying that the Constitution is an agreement to be observed by the sovereign and people and it is better to consult with the people first about the draft Constitution and then the Imperial sanction should be conferred which does not violate the idea of the late Emperor.

"We hereby order Prince Pu Lun and others to compile the Constitution in accordance with the digest of the Constitution as decided by the late Emperor and hand it to the National Assembly for minute discussion and to be promulgated with our sanction, so as to make it ready for promulgation to show that we are quite sincere and open with our people in dealing with state affairs.

"The National Assembly has sent in a memorial that the Cabinet should be responsible for its administration and ministers of state should not be given to any of the Imperial princes. The fact that Imperial princes attend to administration does not comply with the general principle of Constitutional Government of various powers.

"In our system they are not allowed to attend to political affairs for which there is a clear statement of instructions by our ancestors which is really the same as the principle of Constitutional Government system. However since the



FENG JU-KUEI
THE LATE GOVERNOR OF KIANGSI PROVINCE, WHO COMMITTED SUICIDE DURING THE REVOLUTION.



TSENG YUN
MANCHU GOVERNOR OF CHEKIANG PROVINCE, MADE PRISONER BY THE REVOLUTIONISTS AND CONFINED FOR SOME TIME IN THE SHANGHAI ARSENAL.

reign of the Emperor Tungchi there being difficult problems of state certain princes are appointed to attend to political affairs to held high officials.

"In appointing a temporary Cabinet with Ministers of State we appointed Princes and Dukes as a temporary measure and it is not our own permanent idea. Now the memorial of



KUEI CHUN
AT ONE TIME MINISTER OF FOREIGN AFFAIRS. RECENTLY IN CHARGE OF PEKING GRANARIES.

the said Assembly says that the Imperial Princes Cabinet does not comply with Constitutional Government and therefore it should be stopped by abolishing the temporary Cabinet regulations.

"A real responsible Cabinet should be established without any Imperial princes and dukes as Ministers of State.

"The memorial shows the idea of respecting the Imperial family and placing the foundations of the state in a more safe and strong position, which we much appreciate.

"It is important to get proper persons to organize a proper Cabinet and we will wait till we get a proper person of ability when we will not have any more of the Imperial family appointed Ministers of State and we will abolish the regulations for the temporary Cabinet to meet the principle of Constitutional government and to establish the state on a proper basis when the present troubles are settled.

"The National Assembly has sent in a memorial asking us to grant an amnesty to political offenders so as to show the leniency of the Throne and to have the unity of the people of the Empire. If we suppress any political views it will not develop those who are of ability and also the national energy. Moreover when time passes on the views expressed at one time, which were regarded as against the condition of the time, might prove good later. There are many people who went abroad after committing political offences and they have freedom of speech and writing. Some of them go beyond limits owing to their zeal in political principles. Therefore we hereby decree clearly proclaiming that all the political offenders since 1898 either purely political offenders or revolutionists who fled from the Empire and hid themselves in the past and those who are connected with the present troubles who will come forward and become loyal to us are all hereby granted to have their crimes pardoned.

"In future subjects of the Empire of Ta Ching, if they do not go beyond legal limits, will enjoy the right of being protected by the state and will not be arrested unless by law and will not be detained arbitrarily on mere suspicion. Those who enjoy amnesty this time, are required to be loyal and patriotic in upholding our constitutional government. Thus we hereby show our idea of desiring proper reform effected in this Empire."

In the eyes of the world the promulgation of this apologetic Edict was probably the most dramatic incident that had thus far marked the Revolution. In the eyes of the bulk of the Chinese it was a contemptible document. The effect it was designed to have, and the effect it actually had, were as the poles asunder. It weakened instead of strengthening the Throne in the eyes of those fighting to overthrow it, and gave nothing of inspiration to the multitudes who had not as yet committed themselves to revolutionary doctrines. The newspapers, seeing in its every line abject surrender and pitiable panic, utterly condemned it. The revolutionary leaders regarded it with undisguised exultation. It was the bending of the Imperial will. They girded their loins to convert that bend into a break.

It must have been with absolute horror that the hitherto proud, haughty, and arrogant Court viewed the disdain marking the issue of what to them must have been a heart-tearing confession, and realized the sublime futility of it all. Instead of staying the flames of revolt it seemed but to feed them, for within two days Nanchang capitulated to the revolutionists. Hangchow went over on November 2, Shanghai followed suit on the third, and within a week Soochow, Chingkiang, Changchow, Wuisan, Kashing, Ningpo, Shaoshing, and Sunkiang all ran up the white flags of independence.



NI SSU CHUNG

TREASURER OF HONAN, AND IN CHARGE OF MILITARY AFFAIRS IN THAT PROVINCE

YUAN AS PREMIER

However, the Manchus still placed hopes in Yuan Shi-kai, and by Edict on November 1 they appointed him Premier, and agreed to give him full and absolute powers. In verity he was Dictator, but he had not yet moved towards Peking. The newspaper press of the revolutionary cities were soon, however, in the midst of a campaign of condemnation of his imperialistic attitude. His association with the Manchus damned him in their eyes. His character was torn to shreds, and his intentions and motives challenged in the bitterest phraseology. He was held responsible for the continued slaughter at Hankow, and worse than all the wanton burning of that city by Imperial troops. The fact that that wily Manchu, Prince Ching, was dusted by the appointment of Yuan did not awaken the glee that it might have done at another time, for it was significantly suggested that the "apologetic" Edict and the alleged exit of Prince Ching were mere tricks played to throw dust in the eyes of the unsuspecting. There appeared to be few believers in Yuan among the Chinese in the revolutionary arena. They had their eyes wide open for treachery, and consequently saw a bad man behind every bush, a ghost on every tree stump. Yuan's intentions were, however, puzzling. The Foreign mind was confounded in seeking some explanation



SUN PAO-CHI

RECENT IMPERIAL GOVERNOR OF SHANTUNG

for his dilatory departure from his home province. The quidnuncs saw in his delay an obstinate demand for supreme command over the nation's destiny, and when a day later he sent in a telegraphic memorial refusing the premiership they felt certain that his demands had been rejected. Yuan was, of course, merely following the Chinese custom. He had to decline the premiership to comply with usage, but at the same time he was preparing for his visit to the capital.

THE BURNING OF HANKOW

The most serious charge brought against Yuan was that of being responsible for the unpardonable crime of the Imperial soldiers in burning the city of Hankow. Yuan memorialised the Throne after receipt of the edict of October 31, announcing that he had ordered fighting to cease, and actually in an edict of November 5 this memorial was mentioned and approved. But hostilities were not suspended any more than the exigencies of the fray demanded.

The raw soldiers under General Li Yuan-hung were striving valiantly against the better drilled and better equipped soldiers from the north, who gradually pressed on to the very city of Hankow, driving the revolutionists across the river to Wuchang and Hanyang before them. History must record in striking terms the valour of the untrained levies. They went to the field by the thousand scarcely knowing the dangerous end of their rifles. The

art of marksmanship was practically unknown to them. Backsights need never have been invented so far as they were concerned, nor in most cases was a butt for shoulder use necessary. The rifles were fired from the hip, from the level, or in any manner but that deemed essential in modern military text books. The marvel is that the execution done in Imperial ranks totalled what it did; the wonder is that the whole of the revolutionary force was not wiped completely out. In the field they wandered about in masses, magnificent targets for shell or machine guns. They had no conception of the value of cover; not the least regard for hails of bullets, nor hurtling, bursting shells. They fought because they were ready to die for the cause, and the fine spirit exhibited in this connection was marvellous and pathetic. Whole companies of men were occasionally known to march to the field without weapons and face heavy fire. Hundreds went forth determined to die. Wounded men begged the doctors to patch them up so that they could rush back to the field. Soldiers torn and bleeding were seen to be propping themselves up using their rifles whilst they waited a chance to get to the hospital. Stories of this kind could be obtained to fill a book. Hospitals were overflowing with wounded. The foreign residents of Hankow, whose hearts were filled with sympathy for the brave men who were so recklessly offering themselves as food for powder, did what they could to provide



TA SHOU

MINISTER OF THE DEPENDENCIES IN LAST IMPERIAL CABINET.

space and comforts for the injured, and the slaughter and the savagery grew more and more intense as the Imperialist soldiers came within rifle fire of the city. The revolutionists were compelled by sheer inability to stay the advance to cross the river, and this unfortunate necessity placed ill-starred Hankow at the mercy of the Imperialists, who, true to tradition, wrought terrible vengeance upon it. By November 3 black ruin replaced what was once a proud hive of industry with a population of over half a million, and possessing streets of business houses and shops, private residences and temples, of which any city in China might well have been proud. With live shell and lyddite, kerosene and torch, the Imperial soldiers swept through the streets looting, destroying, burning, robbing, ravishing, and killing. Nothing could stay them. Shells from the revolutionary batteries stationed at Wuchang deterred not their advance. Nor were their feelings touched by the sight of thousands of unfortunate innocents flying in screaming panic from the terrible holocaust. No man can estimate the loss in property and life at Hankow; and the effect of this shocking, uncalled for, and criminal act upon the Manchu cause was beyond realization.

THE FIRST GRANT OF A CONSTITUTION.

A howl of rage went up from every city in the south. Men who were sympathetic with the Throne turned irrevocably to the revolutionary ranks, and irresistibly the movement to force abdication went on. There was no deterring it now. Even the National Assembly, composed as it was mostly of Government nominees, displayed keener energy in abstracting concessions in the way of a constitution from the Throne.

On November 2, they met and devised Nineteen Articles for a monarchical constitution, presented them in a memorial, and demanded the Throne to swear before the Temple of Ancestors that it would observe them. On the 3rd, an Edict was issued in compliance. "We recognize the importance of granting these requests," it stated, "and shall arrange a day to swear, and shall issue to the whole empire a notification on yellow paper when the Tszechengyuan (National Assembly) drafts the constitution." These were the Nineteen Articles:

- 1.—The Taching Dynasty will reign forever.
- 2.—The Emperor is to be inviolable.
- 3.—The power of the Emperor is to be limited by the Constitution.
- 4.—The order of succession will be prescribed in the Constitution.
- 5.—The Constitution will be drawn up and adopted by the Tszechengyuan and promulgated by the Emperor.
- 6.—The power of amending



H. E. LU HAI HUAN,

DIRECTOR GENERAL OF THE CHINESE NATIONAL RED CROSS SOCIETY, FORMER PRESIDENT OF THE BOARD OF ARMY AND WAIWUPU.



CHEN KUEI-LUNG,

RECENT IMPERIAL VICEROY OF CHIHLI.

the Constitution will be vested to Parliament. 7.—Members of the Upper House are to be elected by the people from those particularly eligible. 8.—Parliament will elect, but the Emperor will appoint, the Prime Minister, who will recommend the other members of the Cabinet, the Emperor subsequently appointing them. Imperial princes shall be ineligible to be either premier, cabinet ministers, or administrative heads of provinces. 9.—If, on the Premier receiving impeachment, Parliament does not dissolve, he must resign, but one member of the Cabinet shall not be allowed to dissolve parliament more than once. 10.—The Emperor will assume direct control of the army and navy, but when that power is used in regard to internal affairs, he must observe special conditions to be decided by Parliament, otherwise the exercise of power will be prohibited. 11.—Imperial decrees cannot be made to take the place of law except in cases of necessity or danger, in which case decrees in the nature of a law may be issued in accordance with special conditions, but only when in connection with the execution of law or what the law has delegated. 12.—International treaties cannot be concluded without the assent of Parliament, but the conclusion of peace or the declaration of war can be made if Parliament is in session, the consent of Parliament being obtained afterwards. 13.—Ordinances in connection with the administration



CHANG HSI LUAN,

PRESENT GOVERNOR OF CHIHLI PROVINCE.



LIANG TUN-YEN,
MINISTER OF FOREIGN AFFAIRS IN LAST
IMPERIAL CABINET.

shall be settled by acts of Parliament. 14—In case the budget fails to receive the approval of Parliament the Government cannot act upon the previous year's budget, and in the budget no items of further expense outside the budget can be fixed, nor shall it be allowed to adopt extraordinary financial measures. 15—Parliament shall fix the expenses of the Imperial household and their increase or decrease. 16—Regulations in connection with the Imperial family must not conflict with the Constitution. 17—The two houses will establish the machinery of Administrative Courts. 18—The Emperor will promulgate the decisions of Parliament. 19—The Tzechengyuan shall act upon articles 8, 9, 10, 12, 13, 14, and 18 until the opening of Parliament."

The Throne's acceptance of these articles was wired jubilantly to General Li Yuang-hung by the National Assembly in the belief that arms would be laid down and that the revolutionists would come back in glee to the Imperial fold, but the curt reply of General Li notifying that body that it had better leave final arrangements to the men who were doing the fighting rather damped the enthusiasm in Peking. To onlook-

ers the previous abasing apologetic edict of the Throne and the present grant of a constitution, coupled with the promised ceremony of swearing at the Imperial Temple of Ancestors to observe it, was about all that the revolutionary party could desire; but the revolutionists thought otherwise.

The disturbed and anxious Court witnessed the lack of appreciation of their ostensible generosity with grave misgivings, and in an effort to win at least a little confidence from the recalcitrant people urged the Throne to issue another Edict on November 5th, recapitulating the previous concessions and promising that "hereafter anything the people suggest, if it is in accordance with public opinion, I will openly adopt. Heaven owns the people and provides their rulers, therefore the people's eyes and ears are Heaven's eyes and ears.....The revolutionists in China," it naively added, "are different from the wicked rebels against former



DR. W. W. YEN,
ONE OF YUAN'S SUPPORTERS AND CHANCELLOR OF THE FOREIGN OFFICE.

dynasties who sought to destroy the Throne and injure the people," and went on to explain that "the Manchus and Chinese are different races but there should be no distinction. The great ancient monarchs Hsun and Yu came from East and West frontiers, nevertheless they were holy rulers of China. Surely our people will end the crisis and place their four hundred millions on the same plane with other peoples in the world!"

Still the populace was obdurate, and not only so but the various provincial assemblies commenced deluging the national assembly with censures and demands to have some say in forming the constitution, and denying the right of the Peking National Assembly to arrogate to itself functions which it was competent to perform. And the army backed up the provincial assemblies. This, combined with the protests that began to arrive from various parts demanding punishment of the officers responsible for the outrages at Hankow, and the subsequent refusal of Yuan Shih-kai to have the matter investigated in response to an order from the National Assembly, considerably disturbed conditions in Peking, and the cabinet ministers, who had been practically cast out by the Throne's previous edicts, sought to be relieved entirely of their duties and urged that the National Assembly be given full and complete control. This was an evidence of growing distrust of the clamoring parties seeking power, and a belief in the early precipitation of

the capital in chaos, but the Throne could do nothing immediate to relieve the situation save continuous begging of Yuan Shih-kai to come to Peking. In an edict Yuan was reminded of the favors and bounties previously bestowed upon his ancestors and himself, but only rumours came in response that Yuan really intended to accept the post offered him.

MISINFORMED FOREIGN MINISTERS

Believing that he was the only man capable of saving China from ultimate chaos the foreign ministers exhorted Yuan, through his friends, to make haste and assume office. These ministers, badly informed of affairs in the south, and failing to realize the determination of the people to tolerate no half-way halt in their campaign to overthrow the dynasty, belittled the revolution, scoffed at the capacity of the men behind it, and unwisely depreciated the genuineness of the public protestations against the Throne. A monarchy, the foreign ministers thought, was the only form of government to hold China together, and the limitations which the Throne had placed upon itself by its divers edicts ought, in their opinion, to have satisfied anyone. With Yuan Shih kai in Peking they believed the clamors of the unruly would instantly wane, and the Army of the People would come to his standards and support a limited monarchy. The faith they had in Yuan's ability to influence the army and the body politic to adhere to monarchic government was as unbounded as it was exaggerated and fallacious. Nothing could move them from the belief that the monarchy would triumph immediately Yuan arrived in Peking, and no doubt Yuan, when he decided to cast in his lot with his enemies, imagined the same thing. It is not conceivable that he would have gone to Peking otherwise.



TSAI SHAO-CHI,
ONE OF YUAN'S FIRM SUPPORTERS, MEMBER OF THE FOREIGN OFFICE.

CHINESE VERSUS YUAN SHIH-KAI

In this regard it is worthy of note that the Chinese in the revolutionary centres were not at all moved to modify their demands by the advent of Yuan. They estimated his influence in the provinces, they claimed at almost nil. They felt that he would be forced, as ultimately proved the case, to bend to their beckoning, and that eventually they would win the battles they were prepared to fight, even though they be spread over years. That they regretted to see Yuan take up the cudgels for the Manchus goes without saying. They knew that he alone would inspire the terrorized Court to hang on till the bitter end, and if funds were made available for him, prolong the war indefinitely. He was branded a traitor to his country and to his people, and the campaign of villification was continued with undiminished vigor. The Chinese could not understand why another Chinese like Yuan, treated as he had been by the enemies they were trying to overthrow, should take sides against them. Nor, probably, will they ever be able to know.

What they did do to check his machinations was to consolidate their interests. They were now in possession of the majority of the provinces, and whilst local governments were arranged to attend to immediately local needs it was also found necessary to appoint officers to deal in a general sense with foreign and national affairs. In Wuchang Li Yuan-hung and his supporters had their hands full conducting their difficult campaign against the Imperial forces, and so it came about that Dr. Wu Ting-fang, sometime Minister to Washington, and Mr. Wen Tsung-yao, whilom Chinese Resident in Tibet, received telegraphic requests from the various military governments to act as Minister and Vice-Minister respectively for Foreign Affairs. From the point of view of foreign matters this brought the central machine of the revolutionary government to Shanghai, and the manner in which the two officials named attended to their multifarious duties in the trying circumstances did as much as anything to sustain the

cause in the sympathies of foreigners and prevent the intervention of foreign powers which occasionally seriously threatened. Both men had been almost specially trained for the task which fell to their hands, and it is not too much to say that the revolutionary organisation owes them a debt greater than it can ever repay. In particular they had an active and able champion in Mr. Wen Tsung-yao whose equal in energy, strength of character, swiftness of judgment and capacity, could scarcely have been found. Upon these men ultimately devolved the chief business of the revolution—the prevention of the Imperialist party from securing the finances to conduct their campaign, and that the Imperialists were ultimately prevented from obtaining a cash in loans from foreign syndicates was due entirely to the unceasing attention and skilful manipulation of Wen Tsung-yao, backed up by Dr. Wu. This, and this alone, won for the revolution the success attained. Had the Manchus been provided with finances the war would have been raging yet. It was due to the moves and the counter moves accomplished by Mr. Wen Tsung-yao and Dr. Wu that the Imperial coffers were not replenished from outside sources. Whilst these two men had a free hand to conduct matters as they deemed best they kept in constant touch with General Li in Wuchang, and no important move was made without him being acquainted with it. There was never at any time any misunderstanding between the two groups, statements by a misinformed press to the contrary notwithstanding.

THE REVOLUTIONARY PROGRAMME

To Wu and Wen, too, is due the first practical statement to the world of the aims of the revolutionists, and these were set out in the following: "Open letter to foreign friends, dated February 14, and published in the Shanghai and other newspapers:

"TO OUR FOREIGN FRIENDS."—Prompted by many inquiries, by leading articles in the press, and by the letters which have appeared in North China Daily News and other papers, we feel it incumbent upon us," they wrote, "to express the deep sense of our appreciation

of the evident world-wide interest and sympathy taken in the revolutionary movement, and to briefly set forth the position of the revolutionary party to-day.

"It is unnecessary to indulge in lengthy explanation of the reasons leading to the present revolution. They are notorious. The Manchu government has in the course of its dominance of China demonstrated its incapacity to rule its people or conduct the affairs of the nation in a manner compatible with the forward movement signalling the modern history and development of the civilised world.

"The Manchu Dynasty has by its benighted conceptions and barbaric leanings brought China to a position of degradation. The nation is scorned and its institutions and general retrogressive policy are the objects of contempt.

"For decades the enlightened among the Chinese have endeavoured by peaceful means to promote and establish ambition among the people for an elevated line of progressive conduct. They have failed.

"The foreign powers, individually and collectively, have stood hammering at the door of China for centuries, pleading for the diffusion of knowledge, a reformation of national services, the adoption of Western sciences and industrial processes, a jettisoning of the crude, out-of-date, and ignoble concepts which have multiplied to keep the nation without the pale of the great family constituting the civilised world. They, too, have failed.

"The Manchu Dynasty has triumphantly carried on its reactionary policy despite the strongest pressure exerted from within and without until the oppressed people could endure the disgrace and the contumely of it no longer. They rose, and with what result the history of the past few weeks has shown.

"The Manchu Dynasty has been tried by a patient and peaceful people for centuries, and has been found more than wanting. It has sacrificed the reverence, forfeited the regard, and lost the confidence freely reposed in it by all Chinese.



LIANG CHEN-TUNG (SIR CHEN-TUNG LIANG)
MINISTER TO GERMANY.



LIANG JU-HAO
FORMER MANAGING DIRECTOR OF THE IMPERIAL RAILWAYS
OF NORTH CHINA, NAMED BY YUAN SHIH-KAI AS MINISTER
OF COMMUNICATIONS IN THE NEW CABINET, BUT OP-
POSED BY NANKING ASSEMBLY.



CHAO JERH-HSUN, VICEROY OF SZECHUEN

"Its promises in the past have proved delusions and snares. Its promises for the future can carry no weight, deserve no consideration, and merit no trust.

"The popular wish is that the Dynasty must go.

"The leaders of thought in the Revolutionary movement abhor bloodshed.

"We have, it is safe to say, evidenced a toleration unexpected by our foreign friends.

"We have controlled the forces for evil in a manner which should characterise this revolution as the least sanguinary in the history of the world, when the size of the country and nature of the masses are taken into consideration.

"We have memorialised the Prince Regent to secure the abdication of the Manchus upon the guarantee of full protection for the life and property, not only of the Imperial family, but of all Manchus.

"We have issued a manifesto to every province urging union upon a common ground.

"We have exhorted the whole of the people to sink racial prejudices; to combine for the betterment and advancement of the nation, and to respect and protect not only their own but foreign interests to the utmost extent in their power.

"We have striven for order and have created no chaos in these provinces, cities, and towns that have of their own volition come under our banners.

"We have retained officers of the old régime where such have desired to remain, and have subscribed to the new regulations, for the conduct of provincial affairs. The Viceroy of Yunnan, the Governor of Soochow, the Governor of Anking are instances in point.

"We have issued telegraphic appeals to the fourteen provinces that have declared for independence from Manchu dominance to send delegates to Shanghai to form a National Assembly.

"We have, in short, taken every possible step to protect vested interests, safeguard international obligations, secure continuance of commerce, and shield educational and religious institutions; and, what is even more important, striven continually to maintain law and order, sustain peace, and promote a constructive policy upon sound and enduring grounds.



CHEN CHAO CHANG,
FORMERLY GOVERNOR OF KIRIN PROVINCE.



GEN. LAN TIAN-YU
REPUBLICAN GENERAL, COMMANDING THE ARMY
IN MANCHURIA.



CHOU SHU-MU,
GOVERNOR OF HEILUNGKIANG PROVINCE.

"The mind of the people is made up for a change. The shameless destruction of life and property that has signalised the latter days of the Manchus' attempt to resist the termination of their reign is but their characteristic valedictory message to the world.

"To the Manchus the blame for a continuance of hostilities and the perpetration of outrages. They have received from a majority of the provinces an unmistakable pronouncement of the popular wish; they know that their race is run and that the China of to-morrow can never be as the China of yesterday.

"The revolutionary leaders have appealed to them to abdicate in order to put a period to the useless fighting in the field, to prevent wanton bloodshed, to restore the peace of mind of the whole of the populace and tranquillise trade.

"The hand of the people is now at the plough,

win the laurels of freedom by fair fight in the field, and to avoid the rest we again appeal to them to use their influence to secure in the Manchu mind recognition of utter hopelessness of the continuance of the Dynasty.

"That is all that China requires. The Manchus may remain in full enjoyment of citizenship, will be entitled to the fullest equality and freedom, and are urged to rest in possession of their lands and property for the future good of the state.

We are, etc.,
WU TING FANG;
WEN TSUNG-YAO."

This manifesto, for so it might be called, was prompted by several letters and leaders in newspapers written to persuade the revolutionists to accept the concessions already made

the citizens with justice and consideration, as the civilisation of the world demands, the citizens will, doubtless, be able to show you every courtesy in return, with due regard to ensuring your living in wealth and honor, as becomes the Imperial Household, the peace and safety of the Manchu clans being not excluded from our aim."

Both these documents are interesting in the light of later events, for they set out a policy early in the campaign which was eventually carried through in its entirety, the efforts of Yuan Shih-kai and all others to sustain the Throne being of no avail.

REIGN OF TERROR AT NANKING.

Hoping for an early cessation of hostilities by the abdication of the Throne the revolutionists, however, prepared for desperate war.



TSEN CH'UN-HSUAN,
ORDERED TO PACIFY SZECHUAN PROVINCE BY THE
IMPERIAL GOVERNMENT, AND NARROWLY ESCAPED
CAPTURE AT WUCHANG.

and they must of necessity push on to the uttermost end of the furrow. We ask our foreign well wishers to unite with us in our appeal to the Prince Regent to abdicate and so end the strife that is now shaking the land. For our part our conduct is open to the full view of the world. We are fighting for what Britons fought in the days of old; we are fighting for what Americans fought; we are fighting for what France fought; we are fighting for what every nation that is now worthy of the name has fought in its day.

"We are fighting to be men in the world; we are fighting to cast off an oppressive, vicious, and tyrannous rule that has beggared and disgraced China, obstructed and defied the foreign nations, and set back the hands of the clock of the world.

"We must not be judged by the past, we are trying to bring China into her own; to elevate her to the standard that the people of the Occident have ever been urging her to attain, and the stumbling block to-day, as it has been during the past centuries, is the Manchu Dynasty.

"Our foreign friends must, from a sheer sense of fairness, concede that we have the right to

by the Throne, and to abandon the extreme object of overthrowing the dynasty. As the manifesto indicated, such was not to be thought of, and all the pressure that it was possible to bring to bear upon the leaders did not cause them to once waver in their determination.

Their appeal to the Prince Regent to abdicate and to bring about the abdication of the Emperor, mentioned in the manifesto, was couched in terms which also indicated that there was no turning back, and that "republicanism was the only way to avoid sacrifice of human lives and to preserve peace between Man and Han..... If you will but wake up and change your attitude," they wrote, "and co-operate in republicanising China, treating



HSI-LIANG,
RECENT VICEROY OF MANCHURIA, APPOINTED TO COM-
MAND AT JEHOL, TO PREPARE FOR THE RECEPTION OF
THE IMPERIAL FAMILY AFTER ABDICATION.

Soldiers were being recruited in all of the fourteen provinces which had deflected from Imperial sway, and in the worst centre of conflict, Wuchang, men were continually offering themselves. The almost irresistible advance of the Imperialists about Wuchang tended to depress the revolutionists in other parts of the country, but it also inspired them with greater determination to cut the ground from under the Manchus by gaining city after city. Fighting with the Manchu residents of Foochow commenced on November 9 and the city soon succumbed to the inevitable. Canton, which had remained more or less passive in comparison with what was expected of it, also ran up the flags of independence on the same day, as did Anking,

the capital of Anhui, whilst Amoy, Tatung, Chefoo, Swatow, Tsinanfu, Taichowfu, Yunnan, and Kweichow, and innumerable smaller cities, followed suit later.

An attempt was made also to take Nanking, but it failed dismally and acted as a prelude to one of the most sensational episodes of the revolution. Viceroy Chang Jen Chun, and Tartar-General Tieh Liang (who was, by the way, the first President of the Board of War, when the late Dowager Empress created that institution to remove the control of the army from Yuan Shih-kai and Chang Chih-tung) would have been willing enough to see the city go over peacefully to the revolutionists, an alleged edict having been received instructing them to do so, but General Chang-hsun (a man who was once attached to the late Empress Dowager's body-guard, and the last to remain with her when she fled from Peking in 1900), declined to permit his troops to submit. He instead seized all power from the Viceroy and the Tartar-General, and commenced a relentless crusade against all queueless persons and any others deemed guilty of revolutionary tendencies. Possession of a white handkerchief was conclusive evidence of disloyalty to the Throne, and sufficient to warrant death. Hundreds of students were killed within a few days, and troops looted and burned. Thousands upon thousands of citizens fled the city, and a reign of terror prevailed. Chang

lutionary forces, it was confidently hoped that its successful resistance of revolutionary attack would eventually restore them to supreme authority, the belief being general in Peking that if the Manchu forces could only hold out long enough the opposing side must succumb, owing to disaffection in the provinces due to loss of trade, lack of control, absence of money, and disagreement among the revolutionary leaders themselves.

YUAN GOES TO PEKING

Financial stringency was, too, threatening to cripple the northern campaign, but the belief that a loan negotiated with Baron Cottu would be consummated permitted fears on the score of impecuniosity to be temporarily set aside. What chiefly caused anxiety was the continued delay of Yuan Shih-kai. On November 11 he sent a thrill of despair to the hearts of those who relied upon him by telegraphing that

policy. This message of Yuan's was not borne out by facts. Li Yuan-hung was not turning round nor were there material differences with his colleagues. Yuan was no doubt led to this belief by the two emissaries he sent from Hsun-yangchow to confer with Li Yuan-hung at Wuchang on the 11th. They were to endeavour to win Li Yuan-hung over, but failed, and conveyed back to Yuan stories of the argument which occurred among the Wuchang men when they submitted their proposal, which, it is worthy of note, was prefaced by the following statement of Yuan's deputy Liu: "Yuan Shih-kai's idea is simply this: that having received favors for three generations, he could not be so hardhearted as to witness with his own eyes the downfall of the Taching Dynasty."

Pressed by the Government Yuan relented in his determination not to visit Peking, and comforted the capital a little by expressing the hope that when the situation at Kaifeng cleared he might come secretly to discuss the situation and depart south again immediately. Apparently the atmosphere at Kaifeng cleared rapidly, for to the delight of the Court his coming was announced on November 12, and on the thirteenth he arrived—just one day less than a month after he was recalled from obscurity to be Viceroy of the Hnkuang provinces! With 2000 of his own picked troops he re-entered the capital, from which he had been practically



REAR ADMIRAL SHEN HSOU-KWONG
AND FLAG LIEUT. WANG CHI-CHENG.



ADMIRAL SAH CHEN-PING.



REAR ADMIRAL CHEN PO-KWANG.

announced that he would support the Manchus till death, and so contrived it that the revolutionists were compelled to ultimately carry out an expensive campaign before they could secure the city.

This loyal stand of the Nanking Garrison was a bright omen for the terrified Manchus in Peking, and as Nanking was the next important city on the Yangtze to Wuchang, where their troops seemed to be gradually defeating the revo-

lutionists, the outlook was gloomy and that he feared that he would be unable to effect a compromise with the rebels, and expressing his inability to take up the Premiership owing to feeble health. The profound disappointment caused by this statement was somewhat relieved by another section of the message which declared that Li Yuan-hung was "turning round," seemed ready to agree to a compromise, and was unable to agree with his colleagues upon matters of

hounded in 1908, like a conquering hero. Huge crowds of orderly and silent people lined the thoroughfares through which he passed, and hopes ran high. Hailed as "the strong man of China," "the one master mind to save the nation," his welcome was sincere and impressive. But it is certain that he would never have entered the great gates of Peking had he not believed that finances were at hand wherewith to carry out the schemes he desired.



DUKE KUNG

THE LINEAL DESCENDANT OF CONFUCIUS

THE BARREN TREASURY

The Cotto loan was carefully blocked by the actions of the leaders in Shanghai, and Yuan found the Treasury absolutely empty. His foreign friends who had been beseeching him to take control of affairs and who lauded him to the skies as the one and only saviour of the country, were willing but unable to help him. Their respective Governments had declared neutrality and the activities of the Shanghai revolutionary leaders kept them to the scratch in this regard. To prevent loans to the Manchus became the chief duty of those having charge of revolutionary affairs in Shanghai, and by argument and warnings to the various banks, to the Consuls, and telegrams to financial agents and others abroad they managed to counteract every effort of those in Peking who desired to lend money. Whilst this particular aspect of the revolution is fully dealt with

elsewhere in this issue, it may be stated here that the chief argument of the revolutionists was that grave difficulties might arise in the independent provinces if European powers countenanced any action that was, or could be, construed as interference on behalf of the Manchus. Any loan, it was stated in unmistakable tones, would be regarded as directed against the revolutionists, and would not be recognised. And there were no loans.

Yuan, immediately after his arrival in Peking, had audiences with the Regent and the Manchu Princes. On the 14th an edict commanded him to accept the Premiership; he was given control of all troops about Peking, and on the 15th he announced his first Cabinet—composed of men, as it happens, who would have been able to do much had their coming not been too late. As it was they could do nothing. Yuan found himself in a desperate corner. Without

funds, with the whole country in a state of upheaval, with brigands and lawless countrymen overrunning the provinces still professing allegiance to Imperialism, and with the revolutionists becoming more and more determined, he was almost distraught. To add to the desperation of the situation foreign missionaries had been murdered at Sianfu and Taiyuanfu was being looted and destroyed. Every possible effort was made to obtain the funds without which government and control could not last more than a few weeks, and all manner of expedients were devised.

The revolutionists, as they had always done, kept illustrating to Yuan the folly of his attitude, and advising him to come to their side and desert the Manchus before it was too late. This he stoutly declined to do, and his first week in Peking passed without the Manchu position being one whit better. Tsai Ting-kan, Yuan's secretary, who had been to Wuchang to persuade Li Yuan-hung to accept the constitution as offered by the Throne, returned, reporting that Li had replied that he would rest till nothing short of a Republic had been obtained, and the Court was over the borders. Yuan's reply was the boast that he would die rather than see China a Republic, and would fight for a limited monarchy to the end. He would, he declared, to the Foreign Ministers and the correspondents, give his last breath in the struggle. In his opinion not three-tenths of the whole population would support republicanism, and even if the majority did, a republic would be the means of plunging China into absolute chaos, split her into fragments and bring about foreign intervention. This bogey was raised repeatedly.

SUCCESS AND REVERSE.

As a means of keeping faith with previous promises and in the hope of inspiring the country the Prince Regent, on November 62, in the presence of all the high officials, prostrated himself at the Temple of Ancestors and swore to observe the nineteen articles of the constitution. Immediately afterward, as fortune would have it, Hanyang fell, and Wuchang was reported to have capitulated. This blow at the centre of revolutionary military activity was a bad one for the republican supporters. In Peking the wildest excitement, born of joy, prevailed, and it was thought that the Imperial banners were now sure of being carried on to victory. A quarrel which commenced in a tea-house between Hunan and Hupeh soldiers at Hanyang brought about the disaster to the revolutionary arms. From the tea-house it sped to the trenches, and the Hunan men, in a body, marched out of their positions for home. When the Imperialists attacked on the afternoon of the 26th victory was easy and complete. The revolutionary soldiers were reported to be fleeing about the country and the cause lost.

Meanwhile the defenders of Nanking had become the cynosure of all eyes. The revolutionary forces were augmented until 20,000 men were in the field, and several desperate attempts were made to reduce the city. News of the fall of Hanyang, and an urgent appeal from Li Yuan-hung for reinforcements, spurred them to greater activity, and on the evening of November 30 they conducted a gallant attack on Purple Mountain, which dominated the city and was held by Imperialist troops. By daylight next morning they were in full command, and on the evening of December 1, the garrison agreed to surrender. Chang-hsun, the Viceroy, and the Tartar-General all escaping. Next morning the city was handed over, and its fall counterbalanced in great measure the loss of Hanyang.

FIRST PARLEY FOR PEACE.

In Shanghai, delegates from twelve of the provinces under revolutionary jurisdiction had been in conference for a fortnight planning to form a central government, and shortly after the fall of Nanking transferred their headquarters to the old Provincial Assembly hall in that city.

The straits in which the Wuchang army found itself did not deter the leaders in the least, and General Li Yuan-hung indicated by his telegrams that he was making fullest preparations



CHANG MING CH'I

VICEROY OF THE LIANG KWANG, WHO WAS ELECTED GENERAL OF KWANGTUNG BY THE REVOLUTIONARIES, BUT FLED BEFORE TAKING UP THE POSITION

to defend Wuchang, which city had not capitulated, and would be difficult of capture by the Imperialists owing to its position across the river. However, upon the fall of Hanyang General Li found it advisable to parley for peace, in order to gain time, and secure reinforcements, and the British Consul-General, (at the instance of Sir John Jordan, British Minister at Peking), offering to mediate, a truce of three days was arranged, which was ultimately extended, and eventually led on to the peace negotiations which were held in Shanghai in December. Troops, however, were being hastened up-river to Wuchang and poured into the defences by the thousands, whilst reinforcements were still coming from the southern provinces and were, with the bulk of the army previously engaged against Nanking, transferred across the river to the Pukow-Tientsin line (where Chang-hsun had halted and collected about him a small army), to obstruct any advance from the north.

Until about this period little had been heard of Dr. Sun Yat-sen, the organiser of the revolutionary society which launched the campaign and carried on the work of preparing city after city for independence. When the revolution broke he was in Europe, and on November 22 left London for China. The presence of a widely known leader was sorely needed by the revolutionary party. It was now growing so great and so many provinces had ejected Manchu control that it became vitally necessary to have some strong central organisation and head to control affairs, and Dr. Sun's arrival was awaited with anxiety. In the meantime the reins were practically in the hands of Dr. Wu Ting-fang and Mr. Wen Tsung-yao in Shanghai. They in fact were the head and front of the civil movement, whilst General Li Yuan-hung and his supporters at Wuchang controlled the military campaign with the co-operation of the army officers in command of the Nanking contingent.

The whole of the Yangtze Valley was virtually under the dominance of the revolutionists, despite the thin wedge of Imperialism driven in at Hanyang, and the vain search for funds by Yuan Shih-kai compelled him to listen to the many appeals from foreigners and others to endeavour to induce the revolutionists to compromise in some way to bring about a cessation of hostilities. He, of course, saw the folly of warfare among people of the one blood and race, but he did not slacken in his efforts to obtain the sinews of war, and ultimately placed the onus for failure upon

the Manchus themselves. He urged them to open their purses to provide a war fund and plainly demonstrated to them that unless they did so their end was in sight. For weeks he pleaded and implored, but the rich would not respond to any extent. The poorer among the Manchu princes were hot for war, and their blatant bombast, coupled with Yuan's asseverations that he would not tolerate anything but a monarchy, inspired the belief that war would be resumed unless the revolutionaries gave way in their demands for a Republic. This they would not do, and their attitude determined the Manchus to make a further sacrifice in the hope of winning them over.

RESIGNATION OF THE REGENT.

On December 7 the Regent consequently announced his abdication, the edict accepting



CHU CHIA-PAO

IMPERIAL GOVERNOR OF ANHUI PROVINCE

the resignation being issued by the Empress Dowager, signed by the Cabinet, and sealed by the Regent, and notifying that whilst the administration would remain in the hands of the Premier and Cabinet the Dowager Empress and the Emperor would hold audiences and carry out the ceremonial functions. This Edict was no more popular than others that preceded it. Though delighted that another step had been gained the revolutionists felt that the last stage, with the rise of petticoat influence, was as bad as, if not worse than, the first, and they still clamoured for abdication of the emperor notwithstanding that the edict particularly and significantly assured that the procedure was "entirely different from the curtain politic duties in the former reign."

Agents from Peking, aided by foreigners, sought to persuade the revolutionists that the time had now come when they might well accept a limited monarchy, and agree to unite with the north in restoring peace. The revolutionists would not hear of it, nor would they entertain a proposal that the Emperor should be retained under a Chinese name, under Chinese guardians and married to a Chinese wife. Nothing short of absolute annihilation of Manchu influence would suit them, and though this attitude was stigmatized in the outer world as intolerable, childish, and unreasonable they clung to it, claiming a right to the privilege of conducting their own affairs according to their own lights. All overtures on behalf of the Manchus were repulsed.

THE PEACE NEGOTIATIONS.

At Wuchang the British Consul-General was untiring in his efforts to persuade Li Yuan-hung on the one hand and the general in command of the Imperial forces on the other, to agree to a suspension of hostilities in an effort to arrive at a compromise, and ultimately both sides consented to the truce being converted into an armistice, and Yuan Shih-kai announced his willingness to send delegates, headed by Tang Shao-yi, to Wuchang, to confer. This did not coincide with the wishes of the Shanghai party, however. They demanded that any negotiations should take place in Shanghai, and through Mr. E. H. Fraser, the British Consul, requested Sir John Jordan to urge Yuan to so change the venue. Yuan acquiesced, and also complied when the Shanghai leaders stipulated that they would only enter into negotiations if



GEN. TSAO KUN

COMMANDING THE 3RD DIVISION OF THE NORTHERN ARMY, YUAN'S BODY GUARD



SUNG SHOU

VICEROY OF THE MIN-CHE PROVINCES (FUKIEN AND CHEKIANG).
COMMITTED SUICIDE WHEN ATTACKED BY REVOLUTIONISTS

the delegates from Peking came with full powers.

On December 17 Tang Shao-yi and his party arrived in Shanghai, having come via Hankow, and the peace negotiations commenced next day at the Shanghai Town Hall. Wu Ting-fang was appointed to act as envoy by the Republicans, and was assisted by Wen Tsung-yao, Wang Chung-hui (later Minister of Foreign Affairs, and now Minister of Justice,) Wang Chao-ming (who had been imprisoned for life for designing to blow up the Prince Regent at Peking some time ago, and who was released after the issue of the edict giving pardon to political offenders), General Niu Yung-chien, Wang Ching-ting (the special representative of Li Yuan-hung), and Hu Ying. Tang Shao-yi also had with him an equal number of assistants. The bulk of these men are Cantonese, and all understand Cantonese except two of the assistants on the side of Tang Shao-yi, which fact is mentioned because it is interesting to record that the discussions were conducted in the Cantonese dialect. Wu and Tang, it was arranged, should be the only ones to speak, the assistants, if they so desired, being permitted to make any suggestions that might occur to them on paper. In this regard the revolutionary contingent were the most active, and the strange spectacle was presented of the Dragon Throne depending for its existence or extinction upon a group of Cantonese, all queueless and several foreign educated. An examination of credentials showed that Tang came to the conference with full powers from Yuan Shih-kai, and not from the Manchu Court, but on the assurance of Tang that he was empowered to come to a decision the conference opened, and, as a preliminary, dealt with the extension of the armistice. No vital points were raised when the conference first met and the actual question at issue was not touched until the next meeting, when Wu opened the discussion by asking Tang what terms he had to offer to bring about a settlement.

TANG SHAO-YI TURNS REPUBLICAN

The idea of the revolutionists was to receive Tang's arguments and destroy them piecemeal, but Tang was not to be caught, and answered Dr. Wu's question by asking another. What are yours? he queried, and Wu wasted no more time. He so emphatically laid down the revolutionary demand for the abdication of the Dynasty and the establishment of a Republic that Tang was left with no leg to stand upon.



PRINCE TSAI JUI



VICE PRESIDENT GEN. LI YUAN-HUNG

Wu can be eloquent when he likes, and on this occasion his convictions were mirrored in the earnestness of his discourse. He appealed to Tang as a Chinese and as a Cantonese, and pictured graphically and impressively the teeming millions of their countrymen looking to them for freedom from the yoke that had oppressed them for centuries. All Tang could do was to ask a few questions as Wu proceeded. He was anxious to know what would happen to the Manchus if they abdicated. They would be given equal rights with the Chinese, explained Dr. Wu, might work where they liked and how they liked, and the Royal House would be pensioned off and protected. As to Manchuria, Mongolia, and Tibet, they would be included in the republic. "They are not of sufficiently high standard," interjected Tang. "Well," replied Wu, "we will bend our energies to elevating them. They can come in as dependences at first and may be included in the Republic as they qualify themselves." This particular portion of the discussion is mentioned simply because it will be seen that at the outset of negotiations the Republicans had the policy that practically prevailed in the end thoroughly at heart. And what could Tang Shao-yi reply when he was called upon to state his case? Merely that he had no counter proposal to offer and that he agreed with the sentiments of the eloquent Wu. At once he was urged to approve the abdication of the Manchus, but declined to commit himself in that matter till he had consulted with Yuan Shih-kai. "But you have full powers," urged Wu. "Yes," replied Tang, "but this is a very important matter, and I must consult with Yuan." The Republicans, whilst suspicious that Tang was engaging with Yuan to play them a trick, permitted him to wire for Yuan's opinions, and engaged themselves in the subsequent days planning to attack Peking.

Nine days elapsed—anxious days for the revolutionists, who constantly watched for some unexpected coup—before Yuan found his voice, and it looked ominously like resumption of hostilities on several occasions in the meantime, especially as Yuan continued to declare himself against Republicans and all that was theirs.

The six leading powers had presented an identic note on the 20th urging a speedy settlement of hostilities, and whilst it was felt by the Chinese that this was the first move in intervention, such was not seriously entertained after definite warning had been given Japan that the reported activities of her Minister in Peking were displeasing, and a hint was dropped to Great Britain that it would be wise to restrain foreign energies. Japan found it expedient to issue a notification that her policy had been changed in China, and Great Britain also voiced her continued strict neutrality.

THE PROPOSED NATIONAL CONVENTION.

Whether the conversion of Tang Shao-yi was expected by Yuan or not cannot be said. There is evidence to show that it might have been, though publicists in Peking described Tang's action as traitorous; but whatever understanding existed between Yuan and Tang, if any, it is noteworthy that nothing was known of it by the Republicans nor, needless to say, the Manchus. The Republicans never had at any time any secret understanding with Yuan, save and except that they would receive him into the fold if he would come over. There was no bargaining, as has been alleged, as to his handling of the Manchus. The Republicans were ready to fight them and eject them by force of arms from Peking. So thirsty in fact were the troops for a march on Peking that the leaders had difficulty in controlling them. The troops significantly expressed their disgust on many occasions, and strenuously objected to further time being wasted in peace negotiations. They wished to capture Peking first and talk peace afterwards. Happily restraint was kept over them, and when Yuan did ultimately reply to Tang Shao-yi he announced that the Manchus were ready and willing to permit the question of the future government to be put before a National Convention, as was suggested by Tang Shao-yi after the second conference, as the easiest road out of the difficulty presented by the uncompromising attitude of both sides.

The Imperial Edict conceding this further step towards the annihilation of Manchu power was signed by the whole Cabinet and issued on December 28, and said:

"(1) We are in receipt of an Edict from the Lung Yu Empress-Dowager which reads thus:—

"The Cabinet submits a telegraphic memorial on behalf of Tang Shao-yi, reporting that Wu Ting-fang, Representative of the Republican Army, firmly asserts that the desire of the people aims at the establishment of a Republican form of Government as their object, etc. This time in respect of the Wuchang outbreak, the Throne has graciously granted the request of the Tszechengyuan, by the promulgation of a constitutional Statute consisting of nineteen clauses to which an oath of adherence has been taken in Our Ancestral Temple, expecting at first an early cessation of hostilities and the enjoyment of the blessings of peace with our citizens. However, owing to incredulity in Our good faith, political strife has repeatedly arisen. In my opinion, the question which of the two forms, Monarchical Constitution or



KANG YU-WEI
THE REFORMER

Republican Constitution, would better suit Our country to-day, is a truly vital one, affecting, as it does, both home and foreign interests—it is not a question that a single section of people may monopolize, nor can it be decided arbitrarily by the Throne alone. A Provisional Parliament should therefore be summoned to which the question should be handed for public decision.

"In response to a request of the Ministers of State I have summoned an assembly of the princes and dukes nearly related to the Imperial Family for a conference, and have questioned them in person, but no dissentient words have been spoken. Let the Cabinet instantly telegraph this idea to Tang Shao-yi who shall retransmit it to the Republican Representative with a request that it be published forthwith.

"On the other hand, the Cabinet is to frame proper rules of election for adoption, in order to summon the Parliament within the shortest time, and consult carefully with Wu Ting-fang so that both sides may first cease from war, in order to tranquillize the masses and avert calamity. I am of opinion that Heaven will give birth to the people and then elect a monarch for them to shepherd (guide) them. It is intended that one man should feed the world (the nation), and not that the world should support one man. The Emperor has ascended and inherited the Throne at a tender age, and as for me, I am not certainly hard-hearted enough to sacrifice human lives and injure the whole nation. My only hope is that the Assembly will discuss and decide what is beneficial to the nation and helpful to the people. Heaven sees what the people see, and Heaven hears what the people

hear. I wish my loving and patriotic soldiers and people, each imbued with the highest sense of justice, to join in their deliberation as to the adoption of the best policy (by the nation), for which I entertain the sincerest hope.

"Signed by Yuan Shih-kai, the Premier; Hu Wei-teh, acting Minister of Foreign Affairs; Chao Ping-chun, Minister of the Interior; Shao Yin, acting Minister of Education; Wan Sze-cheng, Minister of War; Tan Hsueh-heng, Minister of Marine; Shen Chia-peng, Minister of Justice; Hsi Yen, acting Minister of Nungkung-shang; Yang Sze-chi, acting Minister of Posts and Communications, (on a mission abroad); and Tah Shou, Minister of Colonies and Dependencies."

SUN YAT-SEN AS PRESIDENT.

During the time which elapsed between the second conference and Yuan's reply on December 28, Dr. Sun Yat-sen arrived from abroad, landing in Shanghai on Christmas Day, and was at once called upon to form a government and accept the Presidency of a Provisional Republic. Dr. Sun expected no such honor, and desired it less. He had devoted his life to the work which was then proceeding well, and he now wished to be a mere cog in the wheel rather than the main driving shaft. His modest refusals were, however, overcome, and the provisional government at Nanking elected him President on December 28. His first act was to telegraph Yuan Shih-kai that he would relinquish the Presidency in his favor immediately Yuan would acquiesce in the Republican policy. In this respect Dr. Sun merely fell in with the wishes of the Republican party, who had always recognised the value Yuan would be to them, particularly in foreign eyes. They were not ready to elect him for love of him, but because of his predominant influence in the north and his standing with foreigners. They looked upon his conversion to Republicanism as the quickest route to peace and unity between north and south, but it must be stated that the men in the Republican street did not look eye to eye with the leaders, while the troops in particular had no desire to see Yuan, the enemy, glorified at the expense of those who had been instrumental in overthrowing the dynasty.

However, they tolerated it, and when Dr. Sun was inaugurated at Nanking—now proclaimed the Republican capital—he took the following oath:

"To overthrow the absolute oligarchic form of the Manchu Government; to consolidate the Republic of China, and to plan and beget blessings for the people. I, Sun Wen, will faithfully obey the popular inclinations of the citizens, be loyal to the nation, and perform my duty in the interest of the public, until the downfall of the absolute oligarchic government has been accomplished, until the disturbances within the nation have disappeared, and until our Republic has been established as a prominent nation on this earth, duly recognized by all the nations. Then, I, Sun Wen, shall relinquish the office of Provincial President. I hereby swear this before the citizens."



THE HANYANG IRON & STEEL WORKS, SCENE OF THE FIGHTING AT HANYANG

Seventeen provinces were now represented in the National Assembly at Nanking, and having elected a Cabinet characterised by talent and strength, though composed mainly of men unknown to the outside world, the delegates set about adjusting matters so as to have control of the provinces and have affairs marshalled for what was regarded as the inevitable advance on Peking. The period that ensued was one of the most anxious in the history of the revolution. Whilst both sides were ostensibly seeking for peace the armies were confronting each other, and every possible step was being taken to find the funds for a lengthy struggle.

REPUBLICAN MANIFESTO

In order to secure loans recognition of the Republican Government was essential, and with the object of convincing the world of its intentions and the reasons why foreign powers should unhesitatingly accord it their approval President Sun issued the following manifesto of January 5:—

"MANIFESTO FROM THE REPUBLIC OF CHINA TO ALL FRIENDLY NATIONS"

"Greeting—The hitherto irremediable suppression of the individual qualities and national aspirations of the people having arrested the intellectual, the moral, and the material development of China, the aid of revolution has been invoked to extirpate the primary cause, and we now proclaim the resultant overthrow of the despotic sway wielded by the Manchu Dynasty and the establishment of a Republic.

"The substitution of a Republic for a Monarchical form of Government is not the fruit of a transient passion. It is the natural outcome of a long cherished desire for broad-based freedom making for permanent contentment and uninterrupted advancement. It is the formal declaration of the will of the Chinese nation.

"We, the Chinese people, are peaceful and law-abiding. We have borne our grievances during 267 years of Manchu misrule with patience and forbearance. We have by peaceful means endeavoured to redress our wrongs, secure our liberty, and ensure our progress, but we have failed. Oppressed beyond human endurance we deemed it our inalienable right, as our sacred duty to appeal to arms to deliver ourselves and our posterity from the yoke to which we have so long been subjected, and for the first time in our history inglorious bondage has been transformed to an inspiring freedom resplendent with the lustrous light of opportunity.

"The policy of the Manchu dynasty has been one of unequivocal seclusion and unyielding tyranny. Beneath it we have bitterly suffered, and we now submit to the free peoples of the world the reasons justifying the revolution and the inauguration of our present government.

"Prior to the usurpation of the Throne by the Manchus the land was open to foreign intercourse and religious tolerance existed, as is evidenced by the writing of Marco Polo and the inscription on the Nestorian tablet of Sianfu.

"Dominated by ignorance and selfishness the Manchus closed the land to the outer world and plunged the Chinese people into a state of benighted mentality calculated to operate inversely to their natural talents and capabilities, thus committing a crime against humanity and the civilized nations almost impossible of expiation.

"Actuated by a desire for the perpetual subjugation of the Chinese, by a vicious craving for aggrandisement and wealth, the Manchus governed the country to the lasting injury and detriment of our people, creating privileges and monopolies and erecting about themselves a barrier of exclusion in national custom and personal conduct which have been rigorously maintained throughout the centuries.

"They have levied irregular and unwholesome taxes upon us without our consent, have restricted foreign trade to treaty ports, placed like embargoes upon merchandise in transit; and obstructed internal commerce.

"They have retarded the creation of industrial enterprises, rendered impossible the development of natural resources, and wilfully neglected to safeguard vested interests.

"They have denied us a regular system and impartial administration of justice; inflicted unusual and cruel punishments upon all persons charged with offences whether innocent or guilty; and frequently encroached upon sacred rights without due process of law.

"They have connived at official corruption; sold offices to the highest bidder; and subordinated merit to influence.

"They have repeatedly rejected our most reasonable demands for better government, and have reluctantly conceded pseudo-reforms under most urgent pressure, making promises without intention of fulfilling them; and obstructing efforts towards national elevation.

"They have failed to appreciate the anguishing lessons taught by the foreign Powers in the process of years, and have brought themselves and our people beneath the contempt of the world.

"To remedy these evils and render possible the entrance of China to the family of nations we have fought and formed our government, and least our good intentions should be misunderstood we now publicly and unreservedly declare the following to be our promises:

"All treaties entered into by the Manchu Government before the date of the Revolution will be con-

tinually effective up to the time of their termination; but any and all entered into after the commencement of the Revolution will be repudiated.

"All foreign loans or indemnities incurred by the Manchu Government before the Revolution will be acknowledged without any alteration of terms; but all payments made to, and loans incurred by the Manchu Government after the commencement of the Revolution will be repudiated.

"All concessions granted to foreign nations or their nationals by the Manchu Government before the Revolution will be respected, but any and all granted after the commencement of the Revolution will be repudiated.

"All persons and property of any foreign nation within the jurisdiction of the Republic of China will be respected and protected.

"It will be our constant aim and firm endeavour to build upon a stable and enduring foundation a national structure compatible with the potentialities of our long-neglected country.

"We will strive to elevate our people; secure them in peace, and legislate for their prosperity.

"To those Manchus who abide peacefully within the limits of our jurisdiction we will accord equality and give protection.

"We will remodel our laws; revise our civil, criminal, commercial and mining codes; reform our finances; abolish restrictions to trade and commerce, and ensure religious toleration.

"The cultivation of better relations with foreign people and governments will ever be before us. It is our earnest hope that the foreign nations who have been steadfast in sympathy will bind more firmly the bonds of friendship, that they will bear in patience with us the period of trial confronting us in our reconstructive work, and that they will aid us in the consummation of the far-reaching plans which we are now about to undertake, and which they have so long and so vainly been urging upon the people of this country.

"With this message of peace and good will the Republic of China cherishes the hope of being admitted into the family of nations not merely to share their rights and privileges, but also to co-operate with them in the great and noble task called for in the upbuilding of the civilization of the world."

(Signed) SUN YAT-SEN, President.

(Countersigned) the Minister for Foreign Affairs.

Dated at Nanking the fifth day of the first month of the first year of the Republic of China (January 5th, 1912.)

At about the same time that the Manifesto was issued the following Cabinet was announced:—

(1) Minister of War: Huang Hsin; and Vice-Minister, Tsiang Tso-ping.

(2) Minister of Marine: Huang Chung-yin; and Vice-Minister, Tang Hsiang-ming.

(3) Minister of Justice: Wu Ting-fang; and Vice-Minister, L'yu Chi-yi.

(4) Minister of Finance: Chen Ching-tao; and Vice-Minister, Wang Hung-you.

(5) Minister of Foreign Affairs: Wang Ch'ung-hui; and Vice-Minister, Wei Chung-tsu.

(6) Minister of Home Affairs: Chen Teh-chuan; and Vice-Minister, Cheu Cheng.

(7) Minister of Education: Tsai Yuan-pei; and Vice-Minister, Chin Yao-yuih.

(8) Minister of Industry: Chang Ch'ien; and Vice-Minister, Ma Chuen-wu.

(9) Minister of Communications: Tang Shou-chien; and Vice-Minister, Yu You-jen.

FEELING FOR ABDICATION.

On December 29 the Peace Conference again met and discussed the method of election and composition of the National Conference. In this the ideas of the Republicans and Yuan Shih-kai materially differed. The Republicans wished to have the delegates at Nanking as the basis for the convention, and for the first meeting to take place within ten days, at Nanking or Shanghai. Yuan's idea was for the convention to meet at Peking or Tientsin and be elected in a manner which would absorb several months and mean an assembly of one or two thousand delegates. Yuan's scheme was condemned by the Republicans as impossible and unwieldy, and further discussion was deferred till the next day, after several minor points had been agreed upon. The chief question considered, and this shows again how the wind was blowing, was the treatment of the Manchus in the event of abdication. Tang Shao-yi questioned very closely to ascertain the motives and aims of the Republicans; and the subject was again brought up next day. Then the Republicans turned to Tang and asked him to submit a proposed plan of treatment, and this he promised to do. Meantime he telegraphed Yuan reporting what progress had been made in regard to the National Convention, and Yuan hastily wired back declining to think of Shanghai as a meeting place, as-

serting that the convention must meet at Peking or Tientsin, and be convened in such a manner as to give adequate representation.

TANG RESIGNS AS PEACE ENVOY.

When Tang acquainted the Republican delegates with Yuan's views they simply turned them completely down and gave it out definitely and unreservedly that they would not agree to any other place than Shanghai, and after much argument and persuasion Tang decided that the only escape for himself was to resign before Yuan expelled him. He knew the Republicans would not budge, and he did not wish them to, and thought it much better to either break the negotiations off or permit Yuan to elect another envoy. Yuan accepted Tang's resignation, and did not appoint a successor. According to modern usage this should have broken off negotiations altogether, but not so in China. At the final meeting of the Conference on December 31, Tang again inquired about the Manchus, and though he did not submit his promised scheme he was assured that the Emperor would receive the treatment of a foreign monarch, would be permitted to live at Echo Park, worship at his temples and receive protection for his estates and ancestral tombs. The Manchu bannermen were promised support until means were devised for their livelihood, the nobles would be permitted to retain their titles, and the dependencies would be treated as equals. All this was cabled to Yuan, and it is important to mention that no indication of this discussion was, at the time, given to the press, and the public was unaware of the drift of the discussion until January 14, when the terms were published.

The acceptance of Tang's resignation put negotiations back where they were at the start, except that the Edict agreeing to a Convention had been gained, and for several days whilst the world wondered what was happening negotiations were proceeding privately between Tang and Dr. Wu. Yuan had publicly cast out his representative, but he was still in close touch with him in private and negotiating through him.

YUAN FLIRTS WITH REPUBLICANISM.

In this respect the Republicans allowed themselves to be placed in a false position, as subsequent events showed, for the negotiations were often delicate and the question of Yuan's acceptance of the Republican policy. By some process of reasoning, and hastened by the immovable Republican attitude, Yuan had come to the conclusion that a monarchical form of government was not, after all, the best in the world, and began to flirt seriously with the Republican idea. Gradually this leaked out, but at the same time Yuan was publicly doing his best to persuade the Manchus to give of their hoards to save their seats at the Court. There are reports of many tearful interviews at the Palace and much anguish at the failure of Yuan to move the southern agitators, and the announcement was made that the Empress had handed over three million taels worth of gold bars whilst some of the princes had also contributed their mites.

Yuan, having decided within his own mind to cast off the Manchus, now devoted himself to furthering plans to acquire the Presidency of the Republic, and in his schemes to secure the consent of the Manchus to abdicate was assisted materially by the general state of the country, and particularly by the receipt of the telegrams early in January, from General Wang Huai-ching, who called himself chief of the People's Northern Army at Langchow, threatening to attack Peking within twenty four hours if a Republic was not granted. Three battalions of the troops had revolted and had declared for a Republic. This was a serious blow to the already shaky Manchu cause and intensified the panic at Peking, but speedy steps were taken to cool the ardor of the newest converts. Troops were sent down to suppress them, and the advent of the loyalists placed them in an ex-



HIS EXCELLENCY, LIANG TUNG-YEN
EX MINISTER OF FOREIGN AFFAIRS.

tremely serious position. Had they held together they certainly would have been annihilated, but most of them managed to disappear before loyalists could locate them.

At all events the Manchus were all the more easy to convince that their future was dubious if they did not retire from authority, and it was soon abroad that they were seriously considering the terms offered by the Republicans and were contemplating taking the advice of Yuan. It became known, too, that an edict of abdication was in course of preparation. The couching of that document troubled Tang Shao-yi not a little, for he knew that the Republicans were not only ready to fight, but that they were anxious to do so, and that objectionable phraseology might wreck all the good that it was believed had been done. So Tang drafted the edict.

REPUDIATION BY YUAN.

Although the Imperial troops celebrated the beginning of the new year by withdrawing from Hanyang, the intentions of Yuan were not at all certain. The Republicans had an idea that he was withdrawing his forces merely to concentrate them nearer Peking and there make some sort of stand. Especially did they look for ulterior motives when Yuan adopted the

startling attitude of sending telegrams to Wu Ting-fang repudiating what Tang had agreed to in the Conferences. This repudiation was one of the worst features of the business, for Tang originally presented credentials giving him the fullest powers. To make the case of the Republicans secure, however, the leaders in Shanghai determined to write the various Consuls pointing out that Yuan's actions now threatened to make the wish expressed when the joint note was presented almost impossible of realization, and that if hostilities were resumed responsibility would be entirely upon the shoulders of Yuan.

To add to the pessimism generally evinced during the middle of January an attempt, fortunately unsuccessful, was made on the life of Yuan Shih-kai by a bomb thrower as he was on his way back from the Palace on the 16th, and a menacing front was shown by young Manchu princes just about the time when the edict of abdication was to have been issued. A number of the princes blessed with poverty, and with nothing to lose in the event of war, but with everything to gain, had been successfully inspired by Tich Liang, the Tartar-General who escaped from Nanking, to resist any attempts to persuade the Court to abdicate, and to threaten to work up a strong Manchu force to take up arms against Yuan and

the Republicans. For a few days this coterie made matters very unpleasant in Peking, and the prospects of an early settlement looked peculiarly gloomy.

YUAN SEEKS POWER

But Yuan Shih-kai relaxed not his efforts to ascertain just how soon the provisional government at Nanking would resign after the edict of abdication was issued, and questioned if he could—malgré the proposed Convention to decide the form of government—be elected President within forty-eight hours of the abdication. A reply in the affirmative was sent by Sun Yat-sen, who laid down as conditions that the Manchus should abdicate in favour of Republicanism and that Yuan should agree to espouse the Republican policy. Uninformed as to the cause and misunderstanding the motives prompting Dr. Sun's telegram, correspondents proclaimed to the world that an ultimatum had been sent to Yuan on the very verge of abdication, had rendered abortive all the plans that Yuan had made, and had precipitated a possible renewal of the conflict. Foreign papers attacked the Republicans strongly, the London "Times" in particular unjustly denouncing Sun's telegram as insulting. Yuan, of course, was not insulted, nor was he at all affected by the storm that had been maliciously worked up against the Republicans. He knew to what Sun's telegram alluded, and he was so convinced that it laid down lines incumbent upon him to follow that he saw to it that the Manchus not only declared for a Republic but that he himself proclaimed himself Republican when the time came. To re-assure the world, however, that Dr. Sun's attitude was unaltered a special meeting of the National Assembly at Nanking was held at which it was reiterated that the Manchus would be favorably treated, and that Sun would resign in favor of Yuan upon the terms previously mentioned. This cleared the atmosphere.

The closing days of January were filled with misgivings. Yuan, upon whom the Dowager Empress had conferred a Marquisate, which, however, was humbly refused, refrained from making his attitude clear in Peking, and gave the Republicans no satisfaction as to his intentions. They were completely in the dark as to the outcome. It has been said that there was always a secret understanding between them and Yuan; that they were working upon a settled programme. That statement is absolutely unfounded; Yuan, once satisfied that the Republicans would carry out their promise to make him President, and would give the Manchus the favourable treatment previously mentioned, went about his bargaining in a manner known best to himself, and the Republicans, possessed of an abiding mistrust of Yuan, watched critically his every move, expecting him at any moment to go back on all his previous arrangements. On January 27, they actually believed that the time had come for Yuan to disclose his hand against them for in reply to a telegram from Wu Ting-fang urging him to speed a settlement through the National Convention or by abdication, in view of the expiry of the armistice on January 30, he sent the startling, world-puzzling, curt, and unmistakable statement that not only had he not agreed to the terms for a National Convention made by Tang Shao-yi, but that he had not discussed the question of abdication with them (the Republicans). This, despite the fact that the world was aware that negotiations had been going on, that an edict had been prepared and had been expected any time during the previous week!

It is not to be wondered at that the Republicans decided to give Yuan up and fight their fight out. They wired all their generals to be ready to resume operations on January 30, and certainly hostilities would have been resumed had not a new phase developed in the shape of a petition to the Throne from 42 of the Northern generals requesting abdication in favor of a Republic. In view of their doubts about Yuan's policy, however, the Republicans would not accept this new development at its face value, and telegraphed to General Li Yuan-

hung to make personal arrangements with the generals in command of the forces opposing him (who had, however, withdrawn some distance up the line from Hankow) or else renew hostilities. It so happened that the northern generals meant what they said, and agreed to join the Republican party. The way was now open for the public exit of the Manchus, but the armistice expired on January 30 without anything definite having been announced.

THE TERMS OF ABDICATION.

Fifty-nine days of negotiation had thus passed, and once again Yuan asked that the armistice be extended. The Republicans were loth to agree, especially as many protests had previously come from their troops, but they ultimately consented to an implied extension, notice to be

able to create new nobles whenever he desired. Naturally the Republicans would not consent to any condition which would permit the Emperor to ultimately create a force for their overthrow and his restoration, and when the proposals were placed before the National Assembly at Nanking the following day they were considered from 9:30 in the morning until 6:30 in the evening. The discussion was of the most dispassionate character, and at the end of the day a programme (given below) was referred back to Peking as that to which the Republicans would agree.

The debate on the title of the Emperor lasted over two hours, objection being taken to "Taching," "Ta" meaning great. This was too much for the Republican delegates and they eliminated it leaving the title stand as the Ching Emperor.

4.—Ritual services will be permanently allowed at the Mausolea and ancestral temples, and the Republican Government will protect them.

5.—The Mausoleum of the late Emperor is still not completed and the building and dedication expense will be paid so far as actually needed.

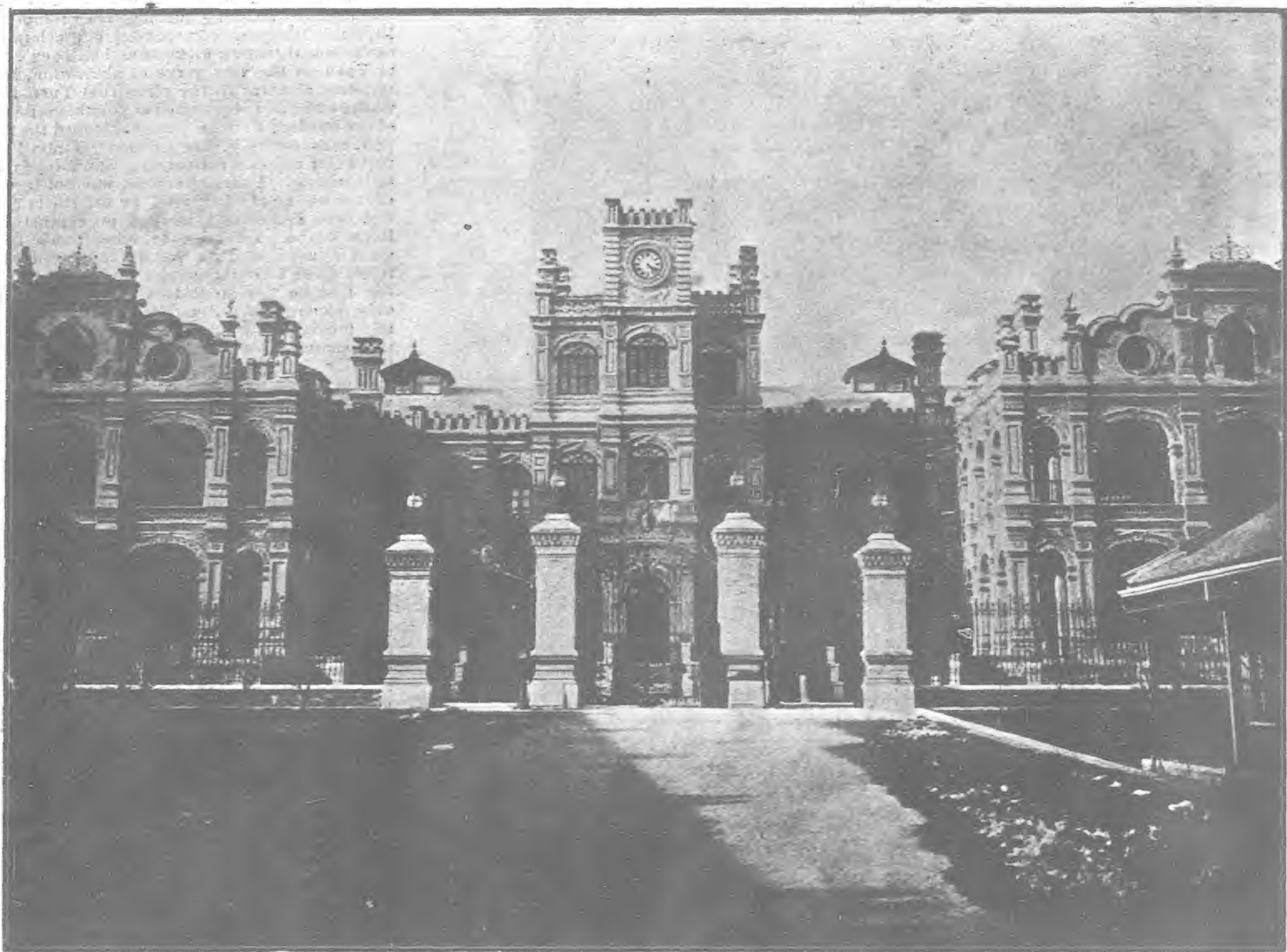
6.—The properties originally owned by the Emperor will be duly protected.

(B.)—*The terms for Manchus, Mongols, Mohammedans and Tibetans:—*

1. To be equal with the Chinese.

2. To protect their private properties.

3. The measures for the livelihood of eight banners will be considered and before the measures are decided the pension as hitherto will be paid.



THE WAR DEPARTMENT, PEKING

given by either side in the event of a decision to resume hostilities and ultimately hostilities were called off. That a settlement seemed likely, however, was indicated by Yuan wiring to Shanghai a few days after his repudiation of the fact that he had discussed abdication stating that he now had powers conferred upon him to do so, and on February 4, he submitted a set of terms which he stated would be acceptable to the Manchus. In the eyes of the Republicans these terms made the Emperor in certain respects stronger than before, since it was desired that the Republicans agree that his title should be "handed down without cessation," and the word "abdication" was carefully avoided. The arrangement merely provided for a removal of political responsibility, and ensured all the honors for the emperor that had previously been accorded him in ceremonial functions, conceding him, too, the dangerous privilege of being

It is interesting to record the stages reached in the discussion of these terms, and the three sets are here given, as translated from the Chinese, for comparison. When the Republicans first made their official offer to the Throne on January 20 they set out the following inducements:—

"It the Emperor of Ching Dynasty will abdicate the Republican government will treat the Emperor and others as follows:—

(A).—*Treatment of the Imperial family:—*

1.—After abdication of the Emperor the title may be retained with treatment of a foreign monarch in China.

2.—The Emperor may reside at the Palace temporarily, but to remove to the Eho Park.

3.—The annuity shall be determined by National Convention by the new government, but the sum shall be not less than 3,000,000 taels.

YUAN'S PROPOSALS.

The above was used as a basis for Yuan Shih-Kai's suggestions submitted on February 4, and which were as follows:

Part I.—*Concerning the generous treatment of the Emperor.*

(1) The exalted title of the Taching Emperor shall be handed down without cessation, and the citizens shall pay the same degree of homage, showing their respect, to His Majesty, as is shown to sovereigns in other countries.

(2) The emperor's minimum annual expenditure shall not be less than Tls. 4,000,000 which sum shall never be reduced hereafter. Expenditure on special occasions shall be defrayed by the Republic.

(3) The Taching Emperor may live as he pleases, either in the Palaces or in the Eho Park (in Peking); the officers and soldiers of the

Body-guards shall be retained in service as usual.

(1) Spiritual worship and offers to the Imperial Ancestral Temple and Mausoleums shall be perpetually made; the Republic shall assume the responsibility for adequate protection, and shall appoint soldiers to guard them.

(5) The work on the Teh Tsung's (the late Emperor Kuang Hsu's) tomb shall be completed; and the ceremonies of the burial service shall be performed at the expense of the Republic.

(6) All officials and officers in the service of the Palace shall be retained by the Taching Emperor.

(7) The private property of the Taching Emperor shall be entitled to special protection.

(8) Citizens shall be at liberty to manifest rejoicing in celebration of the great ceremonials of the Taching Emperor.

(9) The present pay and the numerical strength of the Imperial Guards Corps shall remain as of old.

Part II.—*Concerning the treatment of the Imperial family.*

(1) Princes, Dukes and others with hereditary rank, shall all remain as hitherto, and lineal successions shall be permitted. When such a succession occurs, the Cha Pao (an instrument bearing the Imperial Seal) of the Taching Emperor shall continue to be used.

(2) Members of the Imperial family shall enjoy the same privileges as enjoyed by the citizens in relation to the nation.

(3) Their private property shall enjoy similar protection.

(4) The Imperial family shall be exempt from the duty of rendering military service.

Part III.—*Concerning the treatment of Manchus, Mongolians, Mohammedans and Tibetans.*

(1) Equal position with the Chinese.

(2) Protection of property.

(3) Princes, Dukes and others with hereditary rank, shall all remain as of old, and lineal successions in the order of precedence shall be permitted.

(4) Should any of the Princes or Dukes become too poor for a living, means shall be devised for his relief by the Government.

(5) Means shall be at once devised for the bannermen to make a livelihood. In the meantime they shall continually receive their old pay.

(6) Restrictions as to their engaging in industrial pursuits or other professions, their residence, etc., are all to be simultaneously abolished. They shall be at liberty to be naturalized citizens of any of the districts.

(7) The religions originally obtaining in Manchuria, Mongolia, Turkestan and Tibet, shall enjoy full freedom.

The above terms shall be embodied in a formal despatch to be addressed to the Powers, or to be telegraphed to the Chinese Minister in Holland for retransmission to the Hague Peace Association for record.

THE ACCEPTED TERMS.

Yuan's programme was carefully considered, and the National Assembly ultimately proposed the following:

A.—*Concerning the Emperor:*

The Ching Emperor having proclaimed a republican form of government, the Republic of China will accord the following treatment to the Emperor after his resignation and retirement.

ARTICLE 1.—After abdication the Emperor may retain his title and shall receive from the Republic of China the respect due to a foreign sovereign.

ARTICLE 2.—After abdication the Throne shall receive from the Republic of China an annuity of Tls. 4,000,000 until the establishment of a new currency, when the sum shall be \$4,000,000. (The sum was at first fixed at \$4,000,000, but was later amended to Tls. 4,000,000 until the currency should be placed on a dollar basis).

ARTICLE 3.—After abdication the Emperor shall for the present be allowed to reside in the Imperial Palace, but shall later remove to the Echo Park, retaining his bodyguards at the same strength as hitherto.

ARTICLE 4.—After abdication, the Emperor shall continue to perform the religious ritual at the Imperial Ancestral Temples and Mausolea, which shall be protected by guards provided by the Republic of China.

ARTICLE 5.—The Mausoleum of the late Emperor not being completed the work shall be carried out according to the original plans, and the services in connexion with the removal of the remains of the late Emperor to the new Mausoleum shall be carried out as originally arranged, the expense being borne by the Republic of China.

ARTICLE 6.—All the retinue of the Imperial Household shall be employed as hitherto, but no more eunuchs shall be appointed.

ARTICLE 7.—After abdication, all the private property of the Emperor shall be respected and protected by the Republic of China.

perial Clansmen of the Ching shall be duly protected.

ARTICLE 4.—The Imperial Clansmen of the Ching shall be exempt from military service.

C.—*Concerning Manchus, Mongols, Mohammedans, and Tibetans.*

The Manchus, Mongols, Mohammedans and Tibetans having accepted the Republic the following terms are accorded to them:

ARTICLE 1.—They shall enjoy full equality with Chinese.

ARTICLE 2.—They shall enjoy the full protection of their private property.

ARTICLE 3.—Princes, Dukes and other he-



LIEUTENANT GENERAL CHIANG KUEI-TI
COMMANDER IN CHIEF OF THE CHIHLI TROOPS, WHO SUPPRESSED THE PEKING
MUTINY OF FEBRUARY 29TH ULTO.

ARTICLE 8.—The Imperial Guards will be retained without change in number or emolument, but they will be placed under the control of the Department of War of the Republic of China.

B.—*Concerning the Imperial Clansmen.*

ARTICLE 1.—Princes, Dukes and other hereditary nobility of the Ching shall retain their titles as hitherto.

ARTICLE 2.—Imperial Clansmen of the Ching shall enjoy public and private rights in the Republic of China on an equality with all other citizens.

ARTICLE 3.—The private property of the Im-

editary nobility shall retain their titles as hitherto.

ARTICLE 4.—Impoverished Princes and Dukes shall be provided with means of livelihood.

ARTICLE 5.—Provision for the livelihood of the Eight Banners shall with all despatch be made, but until such provision has been made the pay of the Eight Banners shall be as hitherto.

ARTICLE 6.—Restrictions regarding trade and residence that have hitherto been binding on them are abolished, and they shall now be allowed to reside and settle in any department or district.



P'U-SHOU,
TARTAR GENERAL, FOOCHOW, TORTURED
TO DEATH BY THE REVOLUTIONISTS.



COL. TIEN TSUNG YU,
CHIEF OF STAFF TO THE VICEROY OF CHILI (PEIYANG ARMY.)



GEN. TUAN CHIH KUEI,
FOR SOME TIME CHIEF OF THE TIEN TSIN
MODERN POLICE, YUAN SHIH-KAI'S DELE-
GATE TO NEGOTIATE THE KAIPING-LAN-
CHOW COAL MINE AMALGAMATION.

ARTICLE 7.—Manchus, Mongols, Moham-
medans, and Tibetans shall enjoy religious
freedom.

The above terms are to be officially commu-
nicated, in despatches from both sides, to the
foreign Ministers in Peking, to be forwarded to
their respective Governments.

Although the National Assembly at Nanking
was able to telegraph their terms to Peking by
the 7th immediate acceptance did not come
from the Throne. Time was spent in arguing
about the difference between taels and dollars
in the amount mentioned for the civil list;
whilst the title of the Emperor was a sore bone
of contention. In the ultimate it was agreed
by the Republicans, for the sake of early settle-
ment, to allow the title to stand as Taching, and

to make the civil list four million taels until the
currency was changed, and then to pay it in
dollars. There is perhaps inducement now for
the Republicans to hasten currency reform! So
far as the Manchu house is concerned the Re-
publicans aimed at securing its extinction upon
the deaths of the present nobility, and for that
reason were unwilling to submit to the titles of
the emperor and royal family being hereditary.

The fact that negotiations were proceeding
to bring about early abdication did not, how-
ever, minimise the fear that hostilities might
be resumed, for the most active preparations
were going forward for an advance on Peking
from the Republican positions, whilst the north-
ern army was an uncertain factor and many
believed would co-operate to a large extent in

any movement against Manchu domination.
Time proved that most of the fears were merely
the natural outcome of the intense restlessness
caused by the violently agitated state of the
country, and anxiety was eventually somewhat
set at rest by the announcement that the long-
awaited edict would surely be issued on February
12. The Republicans were still suspicious, how-
ever, and though on the 11th, Yuan Shih-kai
sent a telegraphic message to Tang Shao-yi to
be delivered to the Republican leaders when
the edict was issued on the next day, their scep-
ticism was not abated. They had seen so much
procrastination and knew the history of the
Manchus so well that they could not bring them-
selves to trust them in such a critical time, and
on the eve of the practical downfall of the line.



COLONEL AND OFFICERS OF ONE OF THE CHEKIANG REGIMENTS.

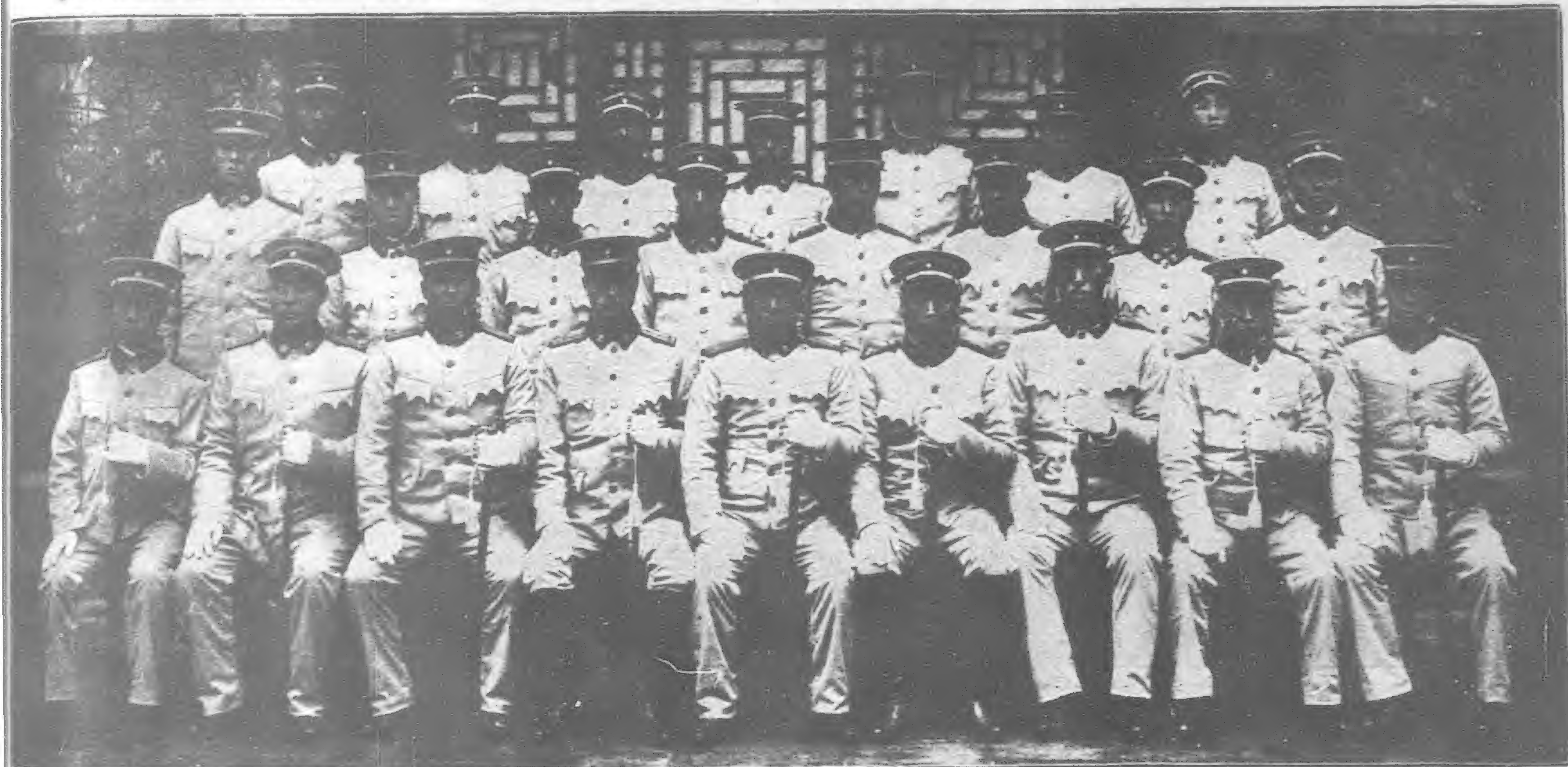
YUAN, A REPUBLICAN.

The telegram from Yuan Shih-kai mentioned above marked a startling point in the drama being played. It came as the first direct notification from Yuan that he approved a Republican system of government, and his unreserved disavowal of monarchic government is remarkable when the ardor of his advocacy of that system up to within a week or two of the abdication is remembered. Addressing himself to "President Sun, the National Assembly, the Ministers of the Cabinet, Nanking, and Vice-President Li, Wuchang"—his first recognition of their titles, or claim to them, by the way—he irrevocably declared himself for the Republic and thereby utterly confounded those who had previously regarded him as the most un-compromising of monarchist champions. This was his message:-

"A Republic is the best form of Government. The whole world admits this. That in one leap we have passed from autocracy to republicanism is really the outcome of the many years of strenuous efforts exerted by you all and is the greatest blessing to the people. The Ta Ching

Apparently, irrevocably, Yuan has committed himself to Republicanism, but the Republicans do not believe it, despite the assertion he makes when he writes that "Forever we shall not allow monarchical government in our China." Pessimists think, rightly or wrongly, that Yuan will work to jettison his Republican avowals to secure a Throne for himself just as he contrived to discard his monarchical principles to obtain the Presidency of a Republic, and so fixed is this belief in the minds of those who originally worked to oust the dynasty, that already there is a movement in certain quarters to take steps to now prevent Yuan playing shuttlecock and battledore with the Republic. The suspicion exercising men's minds is only natural when the complete change of Yuan's front is remembered. Even so late as February 6, when it was known that Yuan was seriously aiming at the Presidency, he wrote in his memorial to the Empress, declining the proffered Marquisate, that "it would better become me to demand dismissal from my post, but I cannot bear to speak of leaving your Majesty's side when I, whose family for so long has enjoyed Imperial favor, am the witness of the poig-

abide by the decisions of a National Convention was, he avers, "a complete frustration of my original hopes, but I still clung to the possibility that the Convention might not insist on a Republic and might adhere to a Constitutional Monarchy," but the subsequent demands from home and abroad for a Republic compelled him to tears. "In the secrecy of my chamber I shed tears the while I wondered how the affections of the nation had been so utterly alienated and how irretrievable had our fortunes become." And then he proceeds to prepare the Imperial mind for the abdication for which he is working whilst professing to be a monarchist at heart. He relates how conditions were in the military department and says: "On reaching the front, I put fresh energy into officers and men: and had the occasion been pressed home, it is highly probable that Wuchang might have been recaptured after the fall of Hankow. But at that time the discussions of the Assembly and the unanimous demands of all classes of the community urged a policy of pacification. In consequence, repeated decrees were issued, deprecating further hostilities, and I had the honour to proclaim your merciful



THE COLONEL AND OFFICERS OF THE FIRST INFANTRY REGIMENT OF THE IMPERIAL GUARD CORPS
Photograph taken in the Courtyard of their Mess at Peking.

Emperor has proclaimed his abdication by Edict countersigned by myself. The day of the promulgation of this Edict shall be the end of the Imperial rule and the inauguration of the Republic. Henceforth we shall exert our utmost strength to move forward in progress until we reach perfection. For ever we shall not allow monarchical Government in our China. At present the work of consolidation is most difficult and complicated. I shall be most happy to go to the South and to listen to your counsels in our conference as to the methods of procedure. Only on account of the difficulty of maintaining order in the north, the existence of a large army requiring control and the popular mind in the North and East not being united, the slightest disturbance will affect the whole country. All of you, who thoroughly understand the situation, will realize my difficult position. You have studied the important question of establishing a republic and have formed definite plans in your mind. I beg you to inform me as to the way of co-operation in the work of the consolidation.

(Signed) YUAN SHIH-K'AI."

nant anxiety which is your companion night and day." Other parts of this memorial are perhaps worthy of quotation as showing Yuan's own reason for conversion to Republicanism and it will not be out of place to insert them here. Recounting his acceptance of office he goes on to say that "When I first entered upon office I was in favor of a Constitutional Monarchy, in the hope that the position might be still saved, and it seemed that my desires were on the eve of realization when the Chihli troops accepted these proposals and Shantung cancelled its declaration of independence. But after the capture of Hankow the navy mutinied, and no sooner was Hankow taken than Nanking fell." Describing how the peace conference at Shanghai failed to induce the Republicans to "abate one jot of their demands for a Republic," Yuan went on to refer to "successive revolutionary successes at Urga, Kuldja, and Khailar," showing how feudatories which had been loyal for centuries were deserting the dynasty, and declared himself to be "consumed with grief at the thought of the imminent ruin which confronted us and the heritage of woe which awaited the dynastic altars." The agreement to

mandate and to call a halt to renewed fighting. When I reached Peking I found that the Treasury was completely exhausted, and that there was an utter lack of munitions of war. My negotiations for a loan were fraught with entire failure. The campaigns in Chien Lung's reign for the conquest of Turkestan and the Tibetan frontier, those of the succeeding reign against the rebels in five provinces, involved the expenditure of nearly 100 million taels. The glorious campaigns of half a century ago against the Taiping and other rebels cost at least ten times that sum. At present we dare not look a month ahead for provision of funds. It is true that your gracious grant from your private treasure have rendered us secure from dispersion of our forces through hunger. The fact remains that we are devoid of means for augmenting our troops or increasing our supplies. We have to do as best we can with the scanty force at our disposal, and if we protect one place, it is at another's expense. This was why we failed to succour the weak garrisons at Nanking, Hsiangyang, and Chingchau. On the other hand, the Republican forces are everywhere inciting the lawless element to cause disturbances.

While cities once lost cannot easily be recovered, there is every likelihood of trouble breaking out in districts hitherto tranquil. Everywhere fresh troops rally round the Republican standard and our numbers remain ever stationary. The force recently raised in Manchuria cannot immediately appear on the scene. The ever-increasing disturbances in Honan and several other provinces cannot immediately be suppressed. Thus has failure so far attended our military operations, and herein is my second reason for saying I have failed in performing my duties."

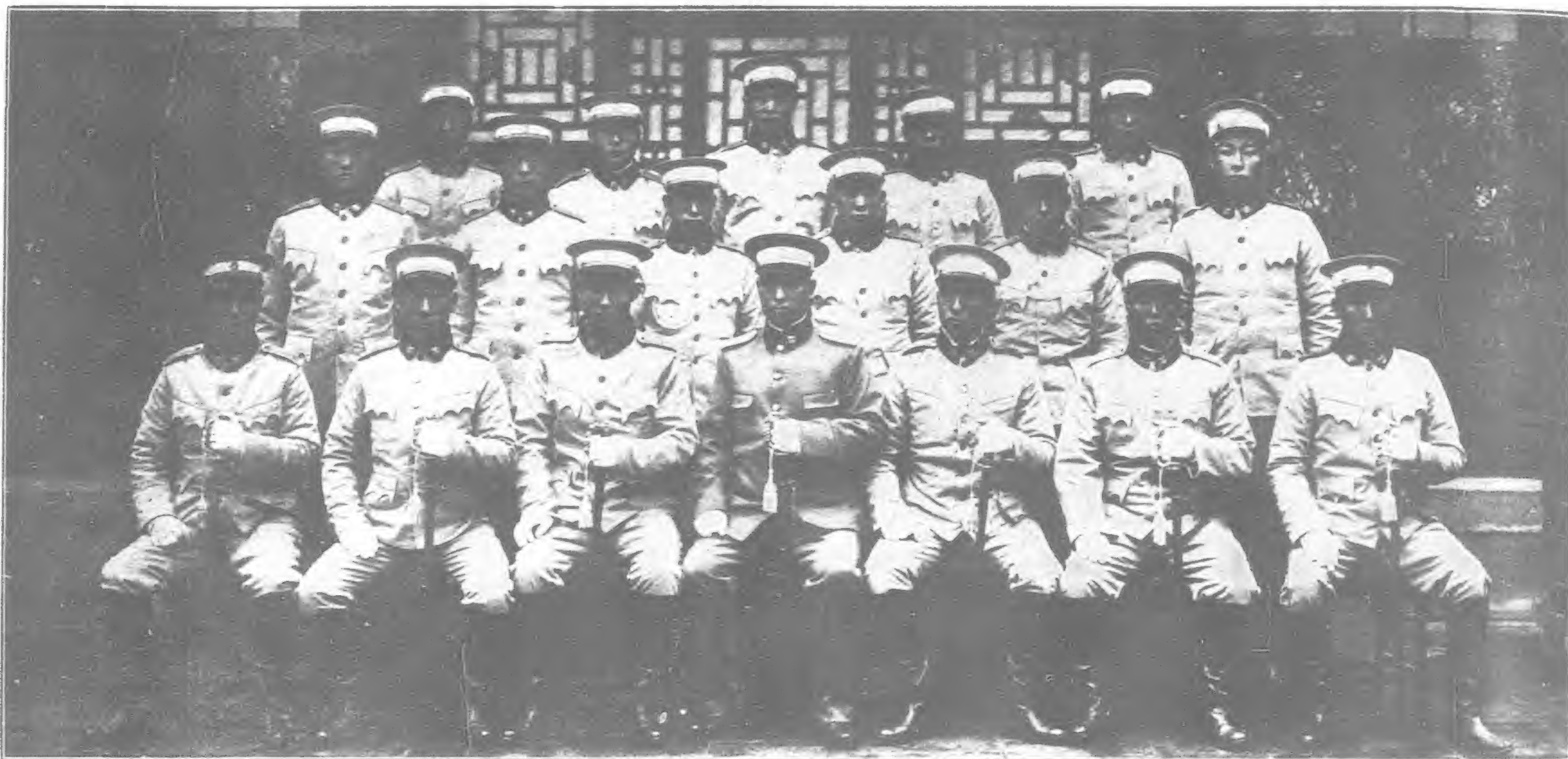
Now Yuan within a few days announced the coming of abdication.

Great expectancy naturally prevailed in Nanking when it was known that Yuan had given his word that the Edict would be issued, and whilst Peking witnessed the last public political acts of the Dynasty on February 12, those anxiously awaiting at Nanking knew nothing de-

to take action to put a period to what was believed to be continued humbug on the part of the enemy. A meeting of the Assembly was hastily called, and as a result it was decided to send an ultimatum to Yuan Shih-kai giving the Court seventy-two hours from midnight that night to abdicate!

Early next morning the edicts, which had been delayed in telegraphing, reached the Republican capital, and on first reading created keen disappointment, instead of jubilation, owing to the absence of the word "abdication" in the first edict, and because Yuan Shih-kai had been vested with full powers to form a Republic. Dr. Sun Yat-sen then wired a reply to Yuan's telegram. "After the receipt of the unofficial news of abdication from Tang Shao-yi," he said, "Tang telegraphed to me that the Ching Emperor has abdicated and that you will support the Republic. The settlement of this great question is a matter of the utmost joy

count of the uprising by the Army of the People, with the co-operation of the people of the provinces, the one answering to the other as the echo does to the sound, the whole Empire has been as a boiling cauldron and the people have endured much tribulation. We therefore specially appointed Yuan Shi-kai to instruct Commissioners to confer with the representatives of the Army of the People for the summoning of a National Convention at which the future form of Government should be decided. Two months passed without a settlement being reached. There was wide divergence of opinion between the North and the South, and each strongly maintained its own views, and the general consequence has been an entire stoppage of trade and suspension of ordinary civil life. So long as the form of government remains undecided so long will the disturbed condition of the country continue. It is clear that the minds of



THE COLONEL AND OFFICERS OF THE FIRST CAVALRY REGIMENT OF THE IMPERIAL GUARD CORPS
Photograph taken in the Courtyard of their Mess at Peking.

finite until the next day. The epoch-marking edicts were issued in the afternoon, and strangely enough scarcely moved the populace in the hot-bed of Manchu influence. So long had the public been expecting the great event that when it came it was unimpressive. Throughout China, too, there was scarcely any public exhibition of feeling. Even in the districts which had formed the cockpit for months of fray, in the provinces where ruin had been stalking through the autumn, the abdication of the detested rulers hardly evoked a cheer, certainly not the slightest public demonstration. All the bitter fighting had been for had been gained and most were too tired to exult. They received, ed the news with great relief, and calm, inarticulate thankfulness—news that marked a new era for China, that chronicled the most dramatic event in the modern history of the world.

But how dear the country still was to continued trouble on the evening of the 12th is only realizable by knowing what took place at Nanking. All day the President, the Cabinet, the National Assembly delegates and the military had been waiting for news that the edict had been issued, but not a word came to relieve the tension. Distrust of Yuan and the Manchus grew as the night came on, and at the end of the day the National Assembly, convinced that the promise had not been fulfilled, determined

and congratulation. I will report to the National Assembly that I agree to resign the office of President in your favour. But,"—and this was significantly indicative of the currents of dissatisfaction coursing in Republican minds,— "the Republican Government cannot be organized by any authority conferred by the Ching Emperor. The exercise of such pretentious power will surely lead to serious trouble. As you clearly understand the needs of the situation certainly you will not accept such authority. I cordially invite you to come to Nanking and fulfil the expectations of all. Should you be anxious about the maintenance of order in the North, would you inform the Provisional Government by telegraph when you could recommend to be appointed with the full powers to act in your place as a representative of the Republic? Expecting your reply to this telegram, I hereby again extend to you our cordial welcome to Nanking."

THE ABDICATION EDICTS

The Edicts, the last to be issued by the Manchu Throne, were as follows:—

FIRST EDICT.

"To Tang Shao-yi, Wu Ting-fang, President Sun, Vice-President Li, the Ministers of the various Ministries, and the Senate at Nanking:—

"We have to-day received from the Empress Dowager Lung Yu an Edict stating that on ac-

the majority of the people are favourable to the establishment of a republican form of government, the Southern and Central provinces first holding this view, and the officers in the North lately adopting the same sentiments. The universal desire clearly expresses the will of Heaven, and it is not for us to oppose the desires and incur the disapproval of the millions of the People merely for the sake of the privileges and powers of a single House. It is right that this general situation should be considered and due deference given to the opinion of the People. I, the Empress Dowager, therefore, together with the Emperor, hereby hand over the sovereignty to be the possession of the whole People, and declare that the constitution shall henceforth be Republican, in order to satisfy the demands of those within the confines of the nation, hating disorder and desiring peace, and anxious to follow the teaching of the sages according to which the country is the possession of the People.

"Yuan Shih-kai, having been elected some time ago president of the National Assembly at Peking, is therefore able at this time of change to unite the North and the South; let him then, with full powers so to do, organize a provisional Republican Government, conferring thereto with the representatives of the Army of the People, that peace may be assured to the People whilst

the complete integrity of the territories of the five races, Chinese, Manchus, Mongols, Mohammedans and Tibetans, is at the same time maintained, making together a great state under the title the REPUBLIC OF CHINA. We, the Empress Dowager and the Emperor, will retire into a life of leisure, free from public duties, spending Our years pleasantly and enjoying the courteous treatment accorded to us by the People, and watching with satisfaction the glorious establishment and consummation of a perfect Government."

SECOND EDICT

"We have been instructed by the Empress Dowager to promulgate the following Edict of Her Majesty:

"The situation being critical and fraught with danger, and the people enduring suffering, we authorized the Cabinet to make terms with the Army of the People concerning due provision for the future of the Imperial Family. From the Cabinet we have now received the terms proposed, according to which the Imperial Ancestral Temples and Mausolea will be permanently respected and ritual services conducted thereat, and the Mausoleum of the late Emperor will be duly completed. These terms have been agreed upon. It is further provided that the Emperor, after his withdrawal from political affairs, shall retain his title, and the details of treatment of the Imperial House, set forth in eight Articles, of the Imperial Clansmen in four Articles, of Manchus, Mongols, Mohammedans and Tibetans in seven Articles, have been duly presented for our consideration. We have examined these and find them satisfactory, and We hereby conjure the Imperial Clansmen, Manchus, Mongols, Mohammedans, and Tibetans, to doff all distinctions between them (and the People) and to unite for the maintenance of order and peace, accepting the measures that have been devised for the welfare of all and the contentment of the Republic, matters for which We have the sincerest solicitude."

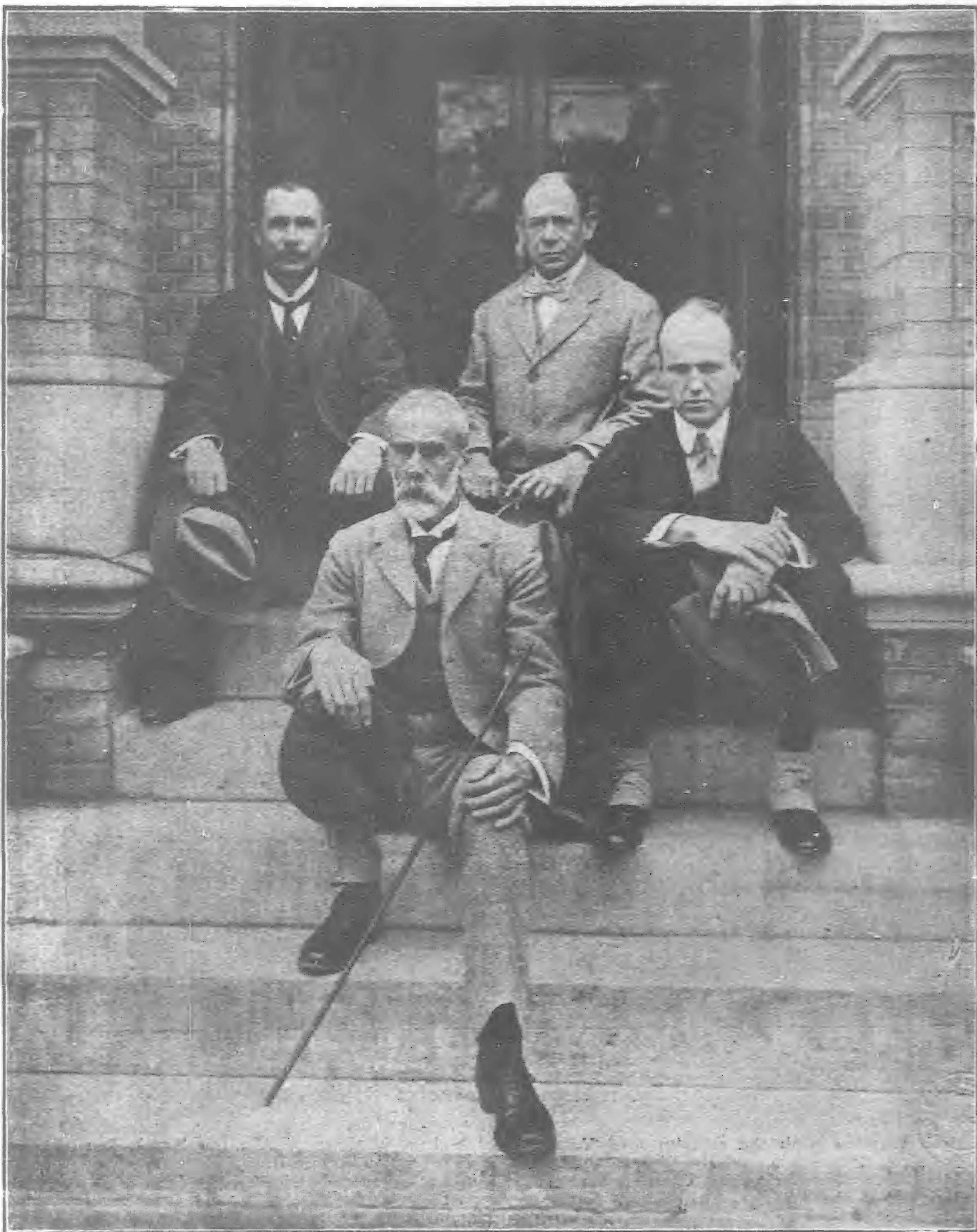
THIRD EDICT

The Empress Dowager authorizes the promulgation of the following Edict:—

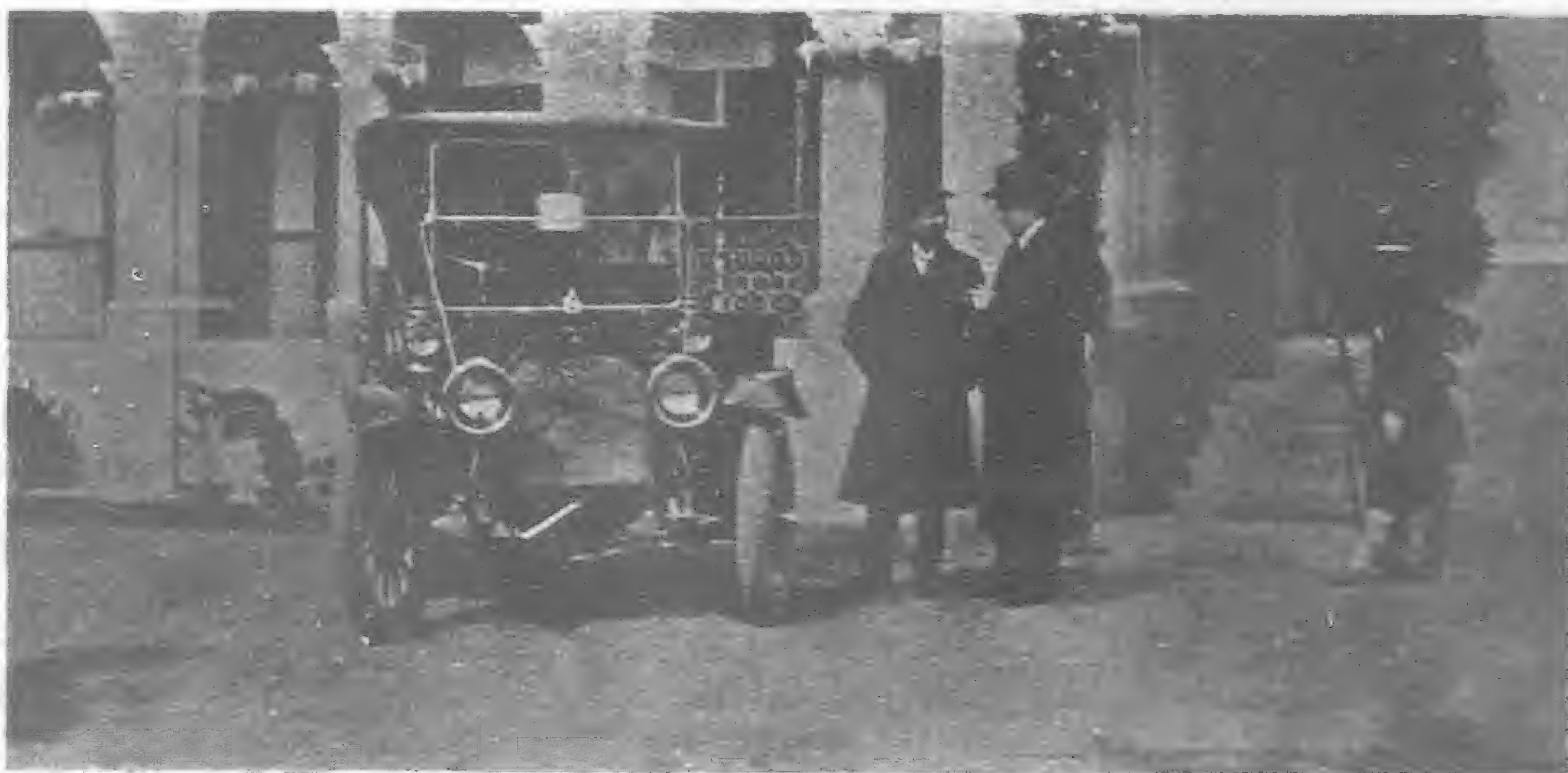
"The sovereigns who anciently ruled the state mainly sought the protection of the people's lives, not being able to look upon injury to the lives of the people. In order to give effect to Our desire that there should be no further disturbance but a restoration of peace We have acquiesced in a new form of government, realizing that if We oppose the desires of the vast majority of the People hostilities must long continue, in which case the general stability would be undermined and fierce struggles ensue amongst the various races, causing distress to Our Ancestors and untold suffering to the People. This We cannot endure, and therefore We have chosen rather to suffer a light affliction than to impose grievous suffering on the People. We have come to this conclusion after serious consideration. Therefore the officials and people generally, both within Peking and without, should fully realize Our benevolent intent and, bearing in mind the present conditions, should not cause any disturbance by empty vapourings or proud talk. The Board of Civil Administration, the General Officer Commanding the Gendarmes, Chiang Kwei-ti and Fenk Kwo-chang, should take measures to preserve strict order and inform the people of the sincere designs of the Throne to comply with the will of Heaven and the wishes of the People, quite regardless of any personal feelings.

"The Government has appointed officials and assigned them duties in the administration of the affairs, the Cabinet, the various Boards, and order offices in Peking, and in the Provinces, viceroys, governors, prefects and magistrates, whose duty it is to maintain public order. These officials, high and low, are to go on with their duties as usual, the chief of each office seeing to it that his subordinates do not neglect their duties. In this way We demonstrate our love for the People."

The above Edicts were dated the 25th day of the 12th moon of the 3rd year of Hsuan Tung (12th February 1912) and bore the Imperial



THE PEKING REPRESENTATIVES OF THE FOUR FINANCIAL GROUPS
H. CORDES (Deutsch-Asiatische Bank.) E. G. HILLIER (Hongkong & Shanghai Bank.) M. CASENAVE (Banque de l'Indo-Chine.) W. D. STRAIGHT (American Group.)



PRESIDENT SUN'S MOTOR CAR, DR. WANG CHUNG-WEI, AND MR. DONALD, THE HERALD CORRESPONDENT.

RESIGNATION OF SUN YAT-SEN.

Dr. Sun Yat-sen's message to Yuan Shih kai indicated clearly enough that the Republicans were dissatisfied with the phraseology of the edicts, and it became necessary for Yuan to send down assurances that he did not intend to take advantage of the construction of the edicts but would only act in accordance with Republican wishes. This smoothed the way for a rapid consummation of the aims of both sides, and absolute tranquillity was ensured after a conference at Nanking between the President, the Cabinet, and Tang Shao-yi, on the night of February 13. President Sun and the Cabinet both agreed to tender their resignations to the National Assembly the next day, conditional upon the election of Yuan Shih-kai and the establishment of the Capital at Nanking, and when the Assembly met on the 14th, they attended in person, the President submitting the following message:

"To-day I present to you my resignation and request you to elect a good and talented man as the new President. The election of President is a right of our citizens, and it is not for me to interfere in any way. But according to the telegram which our delegate Dr. Wu was directed to send to Peking, I was to undertake to resign in favour of Mr. Yuan when the Emperor has abdicated and Mr. Yuan has declared his political views in support of the Republic. I have already submitted this to your honorable assembly and obtained your approval. The abdication of the Ching Emperor and the union of the North and South are largely due to the great exertions of Mr. Yuan. Moreover, he has declared his unconditional adhesion to the national cause. Should he be elected to serve the Republic, he would surely prove himself a most loyal servant of the state. Besides, Mr. Yuan is a man of political experience, upon whose constructive ability our united nation looks forward for the consolidation of its interests. Therefore, I venture to express my personal opinion and to invite your honourable assembly carefully to consider the future welfare of the state, and not to miss the opportunity of electing one who is worthy of your election. The happiness of our country depends upon your choice. Farewell."

The Assembly naturally regretted and was reluctant to accept the resignation of Dr. Sun, but it did so, and, deferring the election of a successor till the fifteenth, commenced to discuss the question of the Capital. The powers of argument of those who favored Peking proved to be so great in this matter that to the surprise of the Republican leaders, the vote went in favour of Peking by 20 to 5, and naturally brought a hornet's nest about the ears of the delegates. They were promptly reminded that the resignation of the President and Cabinet carried with it the condition that Nanking should be the seat of government and that they were to accept the terms of resignation as they stood, or not at all. On the 15th, therefore, the question was brought up again, and, curiously



CHANG JEN-CHUN

LAST VICEROY OF NANKING

Seal, together with the signatures of Yuan Shih-kai, Prime Minister, Hu Wei-ti, Acting Minister for Foreign Affairs, Chao Ping-chun, Minister of the Interior, Shao Ying, Acting Minister of Finance (on leave), Tang Ching-chung, Minister of Education (on leave), Wang

Shih-chen, Minister of War (on leave), Tan Hsia-heng, Minister of Navy, Shen Chia-pen, Minister of Justice (on leave), Hsi Yen, Minister of Agriculture, Industry and Commerce, Liang Shih-yi Acting Minister of Communications, and Ta Shou, Minister of Dependencies.



GENERAL CHANG-PIAO AND STAFF AT THE ANHUI MANEUVERS

enough, was reversed by 20 votes being cast for Nanking and five for Peking! The strongest opponents of Peking were, it is worthy of note, four American-educated delegates, Chao S. Bok, S. F. Chien, F. S. Tang, and Tang Chia Yuan.

ELECTION AND INAUGURATION OF YUAN SHIH-KAI.

Then the election of a President was called. Two delegates wished to pay a delicate compliment to Li Yuang-hung, and nominated him to run for election with Yuan Shih-kai, but the Assembly loyally carried out its pledges and elected Yuan unanimously, the nomination of general Li being withdrawn when the ballot was called. Mr. Chao S. Bok, an American educated Republican, Chairman of the Assembly, took occasion by the hand to eulogise Dr. Sun Yat-sen. Such an example of self-sacrifice and purity of purpose was, he said, unparalleled in history, and it was solely due to the magnanimity and modesty of Dr. Sun that the north had united with the south. Mr. Bok was more profound in his knowledge than many may suppose, for the Republican army would have gone on fighting had Dr. Sun raised his hand.



PRINCE OF THE TE-LO-TE-HAN
MONGOLS

They not only disliked giving the Manchus terms but likewise objected to the replacement of Dr. Sun by their erstwhile enemy Yuan. However, the Assembly placed the subtle condition upon the acceptance of the resignations that both President and Cabinet should retain their offices until Yuan Shih-kai should come to Nanking to take over the seal of office.

In reply to the telegram announcing his election Yuan Shih-kai adopted the old Chinese custom of humbly declining the office, pleading inability, and urging the capabilities of Dr. Sun for the post. A second telegram, however, brought down word of acceptance, and the expectant country waited to see if he would consent to visit Nanking to be inaugurated as specified by the Assembly. Yuan (who had now discarded his queue) had previously given it out that he would not visit Nanking; that he could not. He pleaded that conditions in the north demanded his presence, that trouble would ensue if he left Peking. The question of the future capital was also dragged in for discussion and parties began to form for the advocacy of one or the other. So matters drifted until a deputation from the Republicans, accompanied by Tang Shao-yi, visited Peking, having left Shanghai on February 20. Yuan agreed after consultation with them to proceed



PRINCE NA (NAYENTU)

DZASSAK OF THE KHALKA MONGOLS. GRAND
CHAMBERLAIN OF THE COURT. LT. GEN. OF THE
BORDERED YELLOW MANCHU BANNER CORPS



PRINCE TUAN (TSAL-YI)

THE BOXER PRINCE, SENTENCED TO DEATH BY
THE IMPERIAL CLAN COURT FOR HIS ACTIONS
IN 1900, BUT COMMUTED TO EXILE TO THE
NEW DOMINION, REPORTED LEADING MOVE-
MENT FOR RESTORATION OF THE EMPIRE.

to Nanking, but peculiar to relate such a serious outbreak of looting, burning, and killing, instigated by troops of the Third Division, took place at Peking on February 29 and spread so rapidly and disastrously about the north that it became impossible for Yuan to leave. It is a coincidence that the outbreak occurred just when it did, and it is alleged on many sides that it was instigated specially to give reason to Yuan not to proceed south. It is, however, inconceivable that a man of Yuan's experience would personally attempt or connive at any move so fraught with danger merely to avert a visit to the headquarters of the Republican party, or a change of Capital, despite the fact that the troops responsible for commencement of the outlawry were of Yuan's own bodyguard.

But whatever inspired the trouble it was sufficient to persuade the Republicans that Yuan's presence was needed in the north, and they promptly waived the condition that he could only be inaugurated in Nanking and consented to the ceremony being performed in Peking. Therefore, on Sunday, March 10, exactly five months after the commencement of revolutionary activities at Wuchang, Yuan Shih-kai, having accomplished one of the most striking transformations in history, was inaugurated President of the Republic of China, and duly received the congratulations and presents of the Dowager-Empress, and the felicitations of European and Chinese admirers. The ceremony was conducted in the Wai-wu-pu.



KALACHIN-WONG, PRINCE OF THE KA-LA
TRIBE OF MONGOLS

Building, in the presence of representatives from Nanking and Wuchang, of Viceroys, Governors and Ministers, Members of the Eight Banner Corps, The Navy, Manchus, Mongolians, Tibetans, and civilians, Chinese and foreign. The oath he took was simple and direct, and was as follows:

"Since the Republic has been established, many works now have to be performed. I shall endeavour faithfully to develop the Republic, to sweep away the disadvantages attached to absolute monarchy, to observe the laws of the constitution, to increase the welfare of the country, to cement together a strong nation which shall embrace all five races. When the National Assembly elects a permanent President, I shall retire. This I swear before the Chinese Republic."

The congratulations delivered for Dr. Sun Yat-sen by Tsai Yuan-pi, the leader of the Nanking delegation, lauded Yuan as "the most able person in the whole country," and impressed upon him the necessity of strengthening the Republican form of Government. Yuan, in his reply, declared that he was "old and rusted," but promised "for the sake of the happiness of the five large races, to make the Republic of China a strong state." Yuan, perhaps more than anyone else, realises that the



CHANG YING-TANG, FORMER MINISTER TO AMERICA, APPOINTED AMBASSADOR OF TIBET.



CHUNG MUN YEW, MANAGING DIRECTOR OF THE SHANGHAI-NANKING RAILWAY, APPOINTED MINISTER TO AMERICA.

task ahead of him, if he is to accomplish what is hoped of him, is one of tremendous difficulty, but in his work he will have—if he confines his labors to the Republican realm—what he was unable to obtain in any previous time, the unencumbered assistance of the brightest intellects in the land. And there are bright intellects available, scores of men of high attainment, learned, and skilled in the western sciences. With the road open and free of the obstacles which rendered progress impossible under the old régime Yuan Shih-kai has the opportunity now of converting his sluggish country into the most energetic and lusty of Eastern nations, and providing that his talents will be bent to a furtherance of the public good he is certain of the whole-hearted assistance of all those by whose courage and enterprise the old order has been compelled to give way to the new.

YUAN'S CONFESSION.

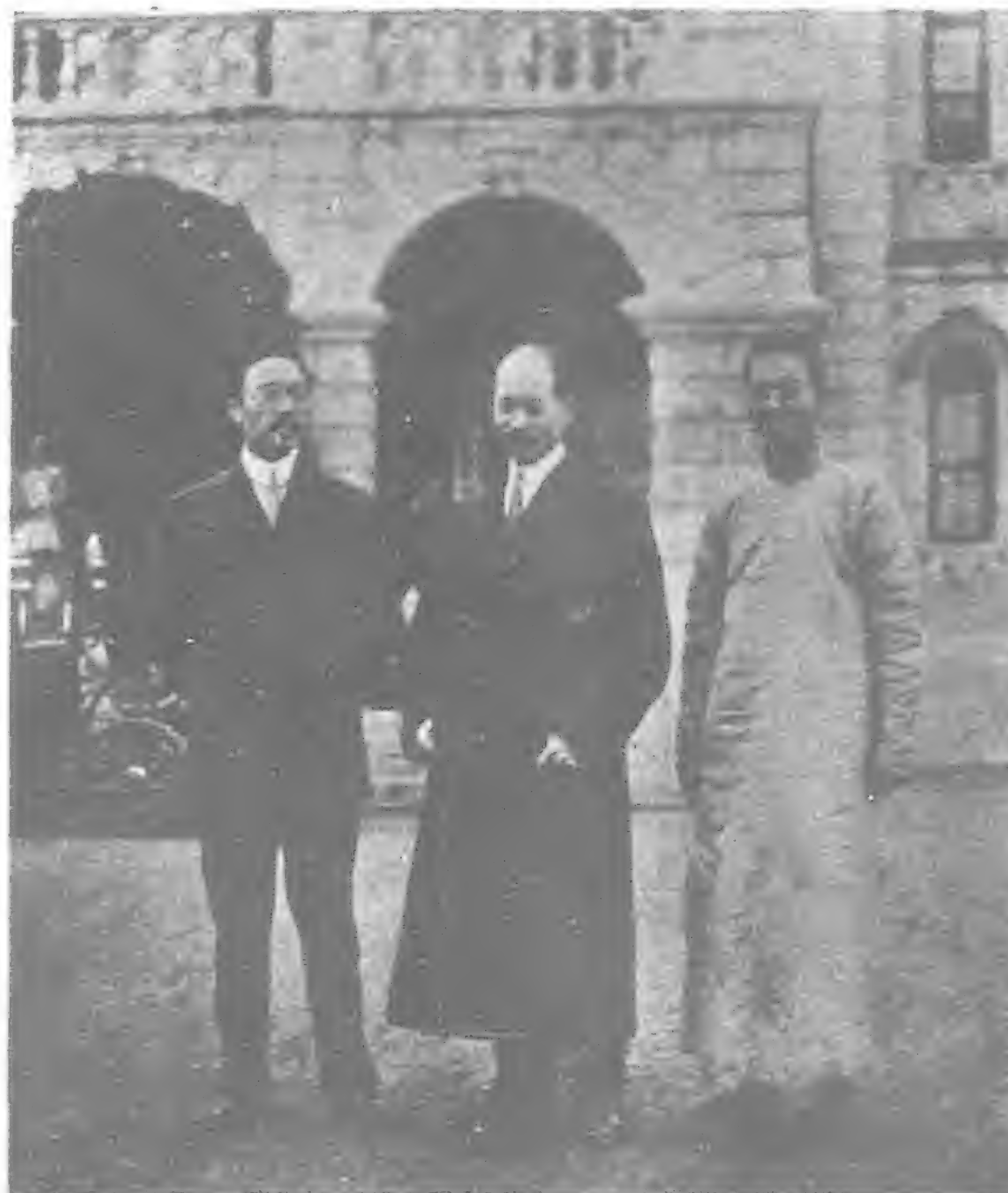
Realizing the potency of the army and the prominent part it is bound to play for good or for evil Yuan particularly addressed to it a passionate appeal on March 9, an appeal that was eminently necessary in view of the terrible excesses recently committed by those troops immediately beneath his sway, but which proved beyond his control. He told the present forces of the martial spirit, the discipline, and the camaraderie which existed in the old army he founded "nearly twenty years ago," and pictured to them how it was "just like one family, loved like brothers, with discipline like that between masters and disciples, and between elders and their brothers or sons." And through them he makes his confession to the world as to the reasons compelling the rapid and rapid change in his attitude from monarchist to Republican:

"Owing to the difficulties of the state," he explained, "I was asked to come out from my

retired life to take command of the troops, but there not being enough funds and arms, I was compelled at the moment of national difficulty, to consider the best measure to adopt. Seeing

the tendency of the general situation and by following the popular view I have endeavored to secure the national welfare and the people's happiness. Fortunately the people have come to agree to the Republican form of government and the provinces of the south and the north and the east and west have, with the Manchus, Mongols, Mohammedans, and Tibetans all agreed to that form, asking me to take up the post of President."

In view of the many explanations that are bound to be given of Yuan's conduct in this revolution this important confession should not be overlooked or forgotten. Opportunism is writ large; Yuan, for many months, resisted the importunities of the revolutionists to emerge from his retirement to lead them, deliberately appeared after mature and lengthy consideration in the vanguard of the side which he thought would win, but which lost, and three months after his arrival in Peking, as an implacable monarchist, changed his mind and appeared at the head and front of the party which won—an avowed Republican. There are those who will assert and assemble evidence to prove that Yuan Shih-kai aimed from the first at what was accomplished. It is preferable to think him an unconscionable opportunist, than a cold-blooded traitor. It is, however, only a man of courage and many parts who could accomplish such a surprising volte face and continue to retain the support of his friends, and win and hold the admiration of the world. To Yuan is due credit for possessing the wisdom as well as the courage to see his line of conduct at the psychological moment, and more credit is due to him for the manner with which he bargained to save the person, the "face," and the prosperity of the Court he was about to abandon. To Yuan the Manchus owe wealth to-day, and likewise to him do the Republicans owe a cessation of useless warfare, though it must be



KWANTUNG DELEGATES IN THE NATIONAL ASSEMBLY AT NANKING:

S. F. CHIEN CHAO S. BOK KIN CHANG.



SHENG YUN

LEADER OF THE KANSU ARMY, WHICH REFUSED TO ACCEPT THE REPUBLIC, AND MARCHED ON PEKING.

said that had not Yuan made his belated appearance in Peking as the champion of the Manchu cause the Court would have fled long ago and the distressing months of anxiety and doubt would, in all probability, have been saved. The Manchus would have found it expedient to capitulate.

Now we find him with masterly tact appealing to the armies to unite in assisting him to carry out the great Republican task ahead of him, pointing out that lawlessness on their part will not only militate against their own countrymen but will probably invite foreign intervention when "the break-up of our country will become imminent, and we will become miserable people altogether." Stressing the duties of men of arms, explaining to them their mission, he implores them to protect their country and his honor, and with his tears commands them, in the words of the translator "to carry out the respective duties with diligence and consider my words three times and obey tremblingly without any neglect."

This appeal to the forces is not without significance. It is upon their conduct that the future depends. At present the country is distraught owing to the animal passion of those soldiers who were Imperialist regulars being permitted to have free rein, and the only menace of the future is the possibility of others of the soldiers deciding to join their wild brothers who wallowed in loot and conducted lustful orgies in northern cities. It is a strange and outstanding fact that inordinate outrages by regular soldiers have been so far confined to the ranks of the Imperialists. At Hankow, at Nanking, at the numerous cities in the Kiangsu provinces which were looted and destroyed, at Peking, at Paoting-fu, Taiyuan-fu and elsewhere the Imperialists alone were responsible. Seldom or never have any irresponsible organized acts been committed by the regular troops under the banner of the Republic. The conduct has been extraordinarily exemplary throughout the campaign though some disgrace would seem to come upon them as a result of the mutiny in March of the roughs enrolled at Canton and Swatow, and other sporadic disturbances of minor seriousness. The morale of the regulars in the field, however, was magnificent, both in war and the trying times of undesired armistice in December and January. But they are men—and Chinamen—and how long they will be able to resist the desire which is believed to be innate in them to run wild and do as their northern fellows did at Peking depends largely upon the ability of the Government to secure regular pay for them and the rapidity with which they can be transported back to their original home cities and provinces. If wages are regularly paid and endeavors made to find employment for the troops which it will be found necessary to disband the peace of the future should be secure, and, provided an energetic hand is kept over the unruly, labors may uninterruptedly be devoted to that constructive policy which is so needful now to enable China to take her proper place in the family of nations.



GEN. MA LUNG PIAO



LI CHING-HSI

LAST VICEROY OF YUNNAN.

To pave the way for constructive effort Yuan Shih-kai issued a series of manifestos upon taking over the duties of Provisional President, on March 11, exhorting officials, military and civilians, to co-operate for the good of the Republic; releasing all prisoners except those guilty of murder or robbery; urging the army to be loyal, to observe discipline, and obey the central authority; remitting all grain and land taxes owed by the people before the first year of the Republic; recognising the old laws—with the exception of those incompatible with the constitution of a Republic—until new ones can be promulgated; and warning against bribery, embezzlement and misappropriation.

It must be confessed that there were no immediate effects as a result of these manifestos. Instead, the subsequent month was one of extreme anxiety. The electricity generated by the revolution still charged the whole country and owing to exaggerated, panicky reports pessimists were given much evidence to justify their forebodings as to the impossibility of a Republic in China. The fair-minded critic, however, recognised the fact that time was needed to restore the country to anything like the tranquillity enjoyed in normal periods, and money was an essential of greatest moment in subduing the elements which contribute to lawlessness, and in securing for the machinery of government, of commerce and trade, that easy, continuous running so necessary to provide adequate employment for the unsettled and disturbed people who fled their homes or lost their means of livelihood as an immediate result of the revolution. And money was difficult to obtain. The treasury had run dry both in the north and south; no revenue was coming to the coffers of the Central Government, and time was needed to arrange for loans. The Ministers of Finance both in Peking and Nanking were exerting every effort to obtain money upon any terms but bankers and financiers were timid in view of the attitude of their Government. They desired to see something like a stable government established in China to give security to investment before they felt free to advance, and with the object of converting order out of chaos steps were taken by Yuan Shih-kai to inaugurate a Cabinet and a government strong enough to guarantee the exotic and delicate tree of Republicanism something like a fair chance in which to take root.

THE COALITION GOVERNMENT

To form a Cabinet acceptable to north and south proved a more difficult task than Yuan Shih-kai at first imagined. His nomination of Tang Shao yi as Premier and the election of his nominee to the post on March 11 by the National Assembly at Nanking by no means smoothed away the difficulties. Although a Cabinet had been cut and dried judiciously sounding in what may be called the Revolutionary quarters quickly demonstrated that many of the names were, at that period, particularly objectionable. Tang Shao-yi, upon whom the work



YUAN SHIH-KAI IN RETIREMENT

HIS EXCELLENCY YUAN SHIH-KAI AND HIS BROTHER ENJOYING LIFE. YUAN IS POLING WHILE HIS BROTHER FISHES

of forming a coalition government fell, was then in Peking, and the failure of the effort to obtain the sanction of the Nanking Assembly to the creation of twelve portfolios, coupled with disapproval of some of the proposed Ministers, compelled him to refrain from attempting to form a Cabinet until he could personally discuss the matter with Dr. Sun Yat-sen and the revolutionists at Nanking. When the list of twelve portfolios was submitted to the Assembly on March 12 it was cut down to ten and no effort was made by the Peking party to override the decision. The Nanking Assembly saw danger in the creation of twelve Cabinet Ministers. There were, in their judgment, too many opportunities for northern men to be placed in power, and that they wished to avoid, though

subsequent events proved that the north exerted an influence in the formation of the Cabinet such as was believed impossible a month earlier.

The election of Tang Shao-yi as Premier and the ostensible efforts of Yuan Shih-kai to employ his energies to bring about a solution of differences between the north and south and so weld the country in peace inspired the Foreign Ministers and Bankers, and the embargo against contracting loans with China was raised, though chiefly in favor of the Group representing banks of Britain, America, France, Germany, and Japan. Active negotiations were entered into which led to President Yuan signing a letter on March 9 arranging for weekly payments to cover current needs, and giving

the group a firm option upon similar loans and the proposed reconstruction one of £60,000,000. Everything looked decidedly promising, and would undoubtedly have been so, had not the discovery been made by the Group that a loan for £1,000,000 had been contracted with an opposition and practically unknown group of bankers, subsequently known as the Belgian group. So opposed was this to the terms of President Yuan's letter that the Group supported by the Powers peremptorily refused further payments and demanded an explanation. A deadlock was created which portended serious consequences for the Government, but of this Tang Shao-yi knew nothing until he reached Shanghai on March 22, he having left Peking before the knowledge of another loan having



THE HOME OF H. R. YUAN SHIH-KAI



PAVILION IN THE GARDENS OF H. R. YUAN'S HOME

been floated came to the Group. Undoubtedly this contretemps set back the progressive programme planned by Yuan and Tang, and injected into proceedings a decidedly unpleasant factor. The assembly at Nanking were led to believe that the Group had abrogated its promises, and members naturally decided to take a strong stand against it, especially as they were further led to believe that the Belgian Group could furnish all the money that China might need and that others would be also ready to enter the field. Attempts in different quarters shattered some hopes, however, and conditions in the country grew threateningly worse. The unfortunate stoppage of payments at so critical a time greatly embarrassed the Government and also filled foreign bankers with a feeling of distrust of the new government. With the Tls. 3,100,000 previously obtained from the Group, and some advances from the Belgian Group, the financial stringency was not as great as might otherwise have been the case, and on March 24 Tang Shao-yi arrived in Nanking to enter upon the task of selecting a Cabinet. It was not until the 29th that anything like agreement could be arrived at, however. Difficulty was found in pacifying factions with regard to the Minister for War. The Northern party desired



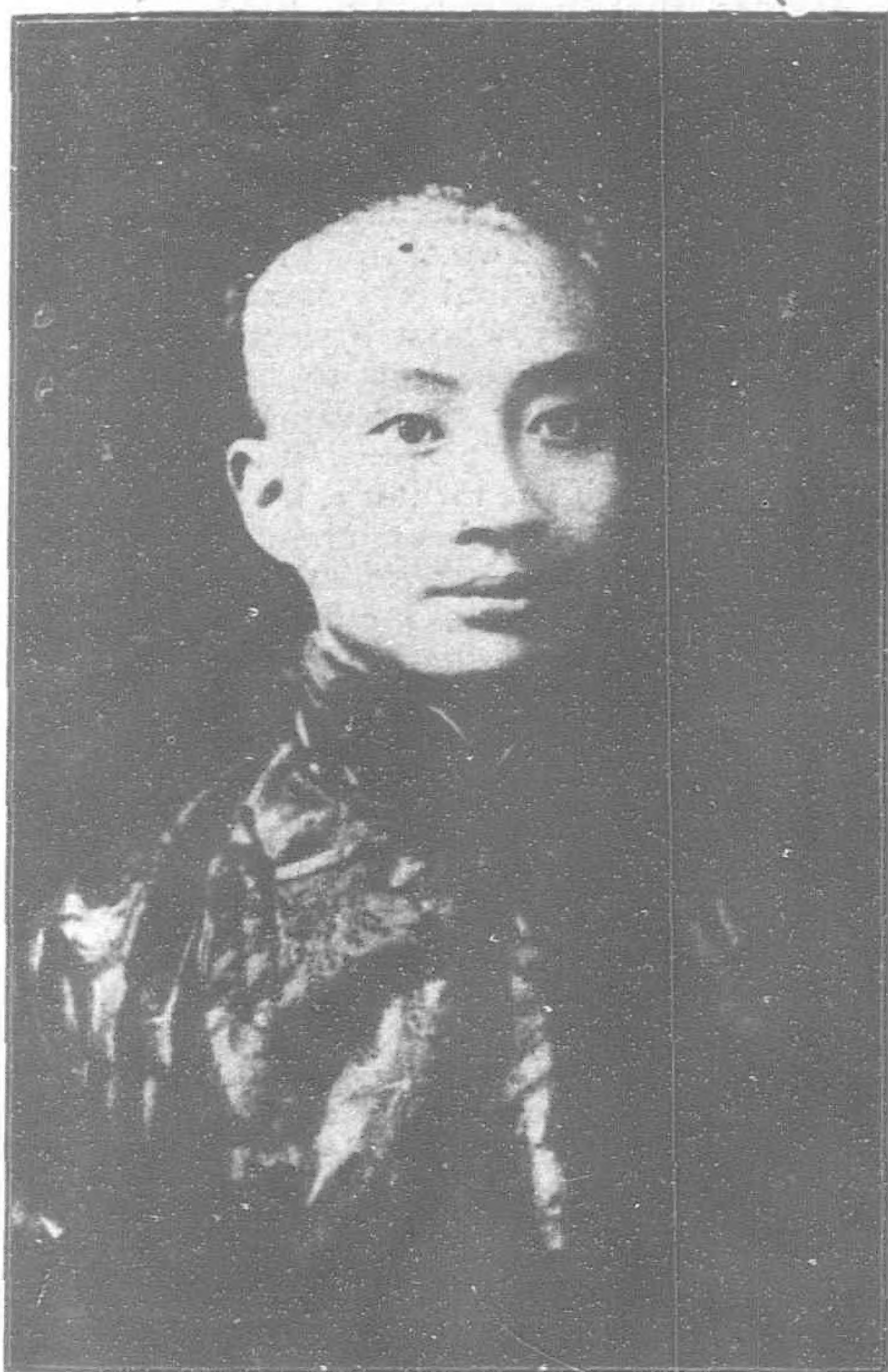
H. E. LIANG SHIH-YI
DIRECTOR GENERAL OF RAILWAYS

On March 29 Tang Shao-yi submitted his Cabinet to the National Assembly. He attended in person. Dr. Sun Yat-sen, and all Ministers then in Nanking, accompanied him. There were 39 delegates present, including the Chairman, and the reception of the Premier was in striking contrast with what it would have been but a year ago. Not a delegate rose from his seat as the Premier entered and mounted the rostrum, though he was accorded some applause. All remained seated. In the Republic all men are equal! The Premier's speech was delivered in a low tone. No effort at oratory was made. Whilst he explained the financial state of the country the delegates listened attentively. He unfolded for their information the exact state of the exchequer so far as he could ascertain it. He estimated that China needed a total of Tael 214,000,000 to carry her on to the end of the year. Of that amount Tael 80,000,000 was owing on matured loans, indemnities, and interest; the needs of the moment would absorb Tael 50,000,000 and Tael 84,000,000 would be required to carry on the country till the end of the year. It is noteworthy that the Premier made no reference directly or indirectly to the tangled loans situation, nor did he make any reference to means to raise the large amount of money mentioned by him as absolutely necessary, except in a foreword to the effect that "China could not do any business without borrowing foreign money."

He urged that the Republic should relieve the people in disturbed regions without delay, settle outstanding questions with foreigners, and inaugurate and foster development of indus-

try. There were occasional handclaps to punctuate the speech, but no enthusiasm. The point of most interest was the announcement of the Cabinet. Tang read the list from a slip of paper. As he mentioned each name he briefly related the particular merits of the nominees, who were as follows: Minister for Foreign Affairs, Lu Chen-hsiang; Minister for Home Affairs, Chao Ping-chun; Minister for the Army, Tuan Chi-jui; Minister for the Navy, Liu Kwan-hsun; Minister for Finance, Hsuing Chi-ling; Minister for Education, Tsai Yuan-pai; Minister for Justice, Wang Chung-hui; Minister for Communications, Liang Ju-hao; Minister for Agriculture and Forestry, Sung Chiao-jen; Minister for Industries and Commerce, Chen Chi-mei.

The Premier made no special plea that the Cabinet should be accepted as he had proposed it. A delegate rose and asked the Assembly to accept it en bloc, but others objected and the Assembly building was cleared of those other than delegates whilst the names were considered seriatim. Even Tang Shao-yi and Dr. Sun Yat-sen were requested to leave the Chamber, and they occupied an anteroom until they were later requested to return to the Chamber to discuss with the delegates the merits of certain proposed Ministers. It was nine

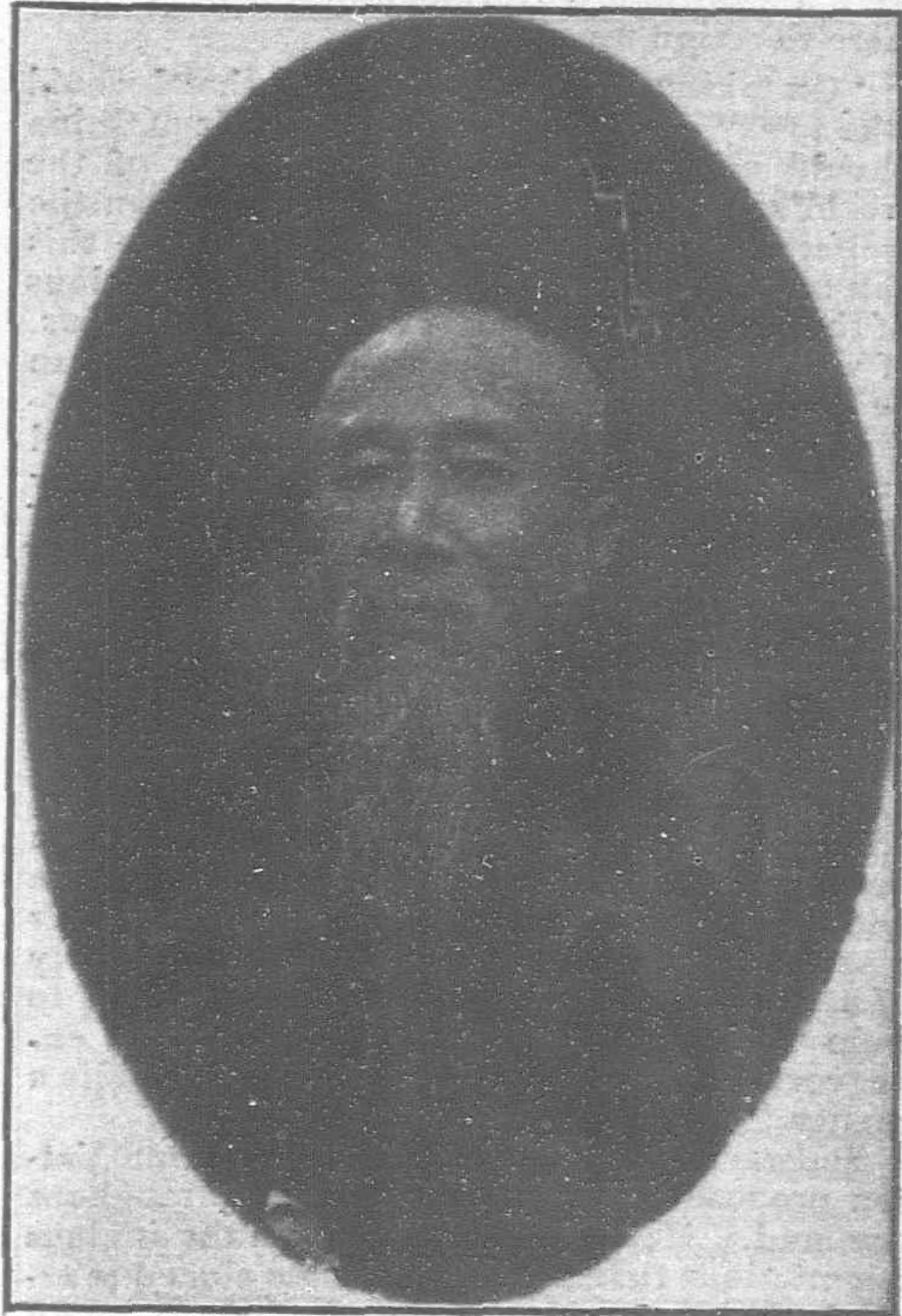


H. E. TSAO JU LIN
SLATED AS MINISTER TO RUSSIA

General Tuan Chi-jui for the post, whilst the Southern clamoured for General Huang-hsin. The latter declined, it is said with tears, despite the strongest endeavors to compel him to accept. Even the north were brought round to accept him for the sake of harmony, but Huang-hsin stood out in the face of urgent entreaties and supplications, and compelled his supporters to agree to Tuan Chi-jui. Another portfolio which caused a certain amount of heartburning was that of Finance. The south aimed at having the sinews of war held by men of their party, and War and Finance were particularly desired. For Finance Dr. Chen Chin-tao, probably the ablest man in China for the post, and who had been acting as Finance Minister for the Republicans, was desired, but he too had indicated his wish to be left out of the new Cabinet by sending in his resignation as a member of the old one, and this portfolio also passed into the hands of the North. However, the delegates in the Assembly by this time showed strong indications of relenting in their erstwhile fierce predilections in favor of Southern predominance in the government, and eventually even went back on their previous decision that Nanking must be the seat of Government.



LT. GEN. FEN CH'E OF THE BORDERED
WHITE MONGOL BANNER CORPS, ASSASSI-
NATED AT CANTON



H. E. SHEN CHIA-PEN
UNTIL RECENTLY, VICE-PRESIDENT OF CHINA'S
FIRST CONSTITUTIONAL ASSEMBLY

p.m. before the Assembly adjourned, and then they reported the acceptance of every nominee except the one for Communications. They refused to accept Liang Ju-hao. It is interesting to note that only two of the nominees received unanimous votes, Lu Chen-hsiang and Dr. Wang Chung-hui, the latter being highly popular with all the delegates, and one of the most unassuming members of the previous Cabinet. One or two names were suggested to fill the post of Minister for Communications, but the Premier failed to agree to them and ultimately decided that he would take up the portfolio himself until a suitable nominee could be found.

That the Cabinet should be criticised by the native press is only natural. The northern papers were dissatisfied with it, and so were the southern. All complained that but few of the members possessed administrative experience, and several contended that the best men were not sought. Be that as it may the acceptance of the Cabinet by the Assembly marked a distinct advance, and removed the friction that seemed inevitable when proposals were originally made to fill the portfolios of Finance and War with northern men. So high had

been the feeling at one period that the southern troops declared that they would not tolerate any other Minister for War but Huang-hsin, but they ultimately subsided and were comforted somewhat by the appointment of Huang-hsin as Commander of the southern army, with Headquarters at Nanking, his additional title being Chief of the General Staff.

Immediately the construction of the Cabinet was completed the old occupants of portfolios in the first provisional Cabinet prepared to hand over their seals and documents, and Dr. Sun Yat-sen made ready to deliver his seal to the Premier and retire into practically private life. On April 1, therefore, the man who has worked his lifetime to overthrow the Manchu régime and make a Republic possible stepped completely from the limelight of public life. With the quiet dignity that has marked his occupancy of the provisional Presidency Sun Yat-sen relinquished office. He handed over the seals of office to the President of the National Assembly and took his farewell of the delegates in the following words:

"I came to Nanking on January 1 to be inaugurated as President of the Provisional Government of the Republic of China, and to-day, April 1, is just three months from my induction to office. During this interval we have accomplished what we aimed at, namely the establishment of a Republic. Now that the union of North and South is perfected, and a coalition government formed, I come here to resign my office.

"On taking leave of you, I feel that I would like to say a few words. The Republic of China should always aim at the promotion of the world's peace, for only by so doing can the welfare of mankind be advanced. Before this can be done we must firmly lay the foundations of the Republic. This is the duty of all of us. If we are all faithful to this duty, our object can be attained quickly. Though most of our people are ignorant of the meaning of the word and of republicanism, yet for centuries they have enjoyed peace and have been lovers of peace. To instruct them in the principles of republicanism and world-peace should not be a hard task. And if the mission should be successfully accomplished what an effect will it not have upon the world, when 400,000,000 people a quarter of mankind, champion the cause!

"This is our duty and we must try to do it. I have resigned my office, but my resignation does not mean that I have done, and am done with my duty. Far from it. Only hereafter I am going to discharge my duty in the capacity of a private citizen. It will be my object to help my 400,000,000 countrymen, and to endeavor to make the blessings of the Republic a reality."

Stalwart in his belief in peace Dr. Sun Yat-sen proposes to preach that gospel throughout the land. He has demonstrated in the anxious negotiations that have taken place since his arrival that he was never the extremist many charged him with being. His has been a short rule of compromise, and by compromise the north and the south have been given an opportunity to unite and advance. Not only has Dr. Sun retired from power, but the Assembly has also refrained from carrying out the original intention of insisting upon Nanking being the seat of the provisional Government, if not the ultimate capital, for on April 2 it decided by 20 votes to 6 to agree to a transfer of the government to Nanyuen, a few miles from Peking. Virtually the provisional government will henceforth function in Peking.

On April 3 Dr. Sun departed from Nanking, and was accompanied to Shanghai by the Premier, who is now confronted with the problem of satisfying the Five-Power Group in Peking that he did not deceive them as to his relations with other banking syndicates. The Premier, who is stout in his contention that the Group repudiated its promises to pay by withholding money when needed, on the plea that the situation had changed and the home offices of the banks had to be consulted before any further advances could be made, will ultimately make a statement in Peking on the subject, and if a settlement of differences is arrived at sufficient money will be forthcoming to enable China to remove her chief difficulties. The army is the problem, and realizing that fact the President again, on March 31, issued another proclamation urging the soldiers to refrain from conduct unworthy the army, and to co-operate for the good of the country.

With the transference of the National Assembly to Peking new delegates will be elected, the country being divided up into 28 districts. Each of the eighteen provinces will be a district, the Imperial Clansmen, the Peking Bannermen, the Manchu Bannermen, the Mongol Bannermen and the Chinese Bannermen will constitute a district each, Inner Mongolia and Outer Mongolia will each be districts, Kokonor, Ili, and Kobdo, of West Mongolia, will constitute one district, whilst Anterior Tibet and Ulterior Tibet will also each be a district. These will elect delegates, and, unless a change is made in the interim and the National Convention immediately called, they will function until that body is created, the delegates to be elected by the existing Provincial Assemblies or Council.

THE CONSTITUTION

The labors devoted to the designing of a provisional Republican Constitution disclose an intention which should carry the nation a long way upon the road to ultimate liberty, and prosperity. The aim of those who took in hand the preparation of the Constitution (which was approved by the Assembly) is to give the Chinese as much freedom as is possessed by any other people. In that respect it presents features marking a tremendous advance over the Constitution which was being prepared with such agonizing difficulty by the Manchu régime when the Nemesis of Revolution came upon it. The Manchus, of course, aimed at conserving the supreme power in the hands of the Emperor. He was, as in the days of undisguised absolutism, the be all and end all of authority. His was the prerogative to make the laws, to execute and administer them. The Legislative body could advise only; the representatives of the people shared in no way in the Imperial right to govern. Laws were to be obeyed by the people, not to be created by them. Parliament could neither promulgate nor enforce acts; those privileges were for the Emperor alone, and in him exclusively was vested the power to convene or prorogue, extend or dissolve the Parliament. The army and navy were beneath his supreme command; the creation of regulations to govern them was beyond the power of Parliament; they were the Imperial instruments, wholly, solely and completely. At all times and in all things he could act as the Imperial will directed. Parliament was an institution in name only, designed to satisfy the people and permit them to imagine they were participating in the government of the country. In the "General Principles of the Constitution" were embodied the guarantees commonly placed in such instruments for personal safety and protection of the public, giving them, on paper, freedom of speech and newspaper liberty. This, however, amounted to nothing, since the making of the laws was in the hands of the Emperor and no law could be questioned or contravened by the people. In short the "constitution" as designed by the Manchus was to strengthen the central power, and render absolute the will of the ruler under the guise of popular control of affairs.

A striking difference is observable in the provisions of the Republican Constitution. Here we find King Demos is to wield the sceptre. The very first clause of the document declares that "The Republic of China is organized by the people," the second, announces that "the sovereignty of the Republic of China belongs to the people," and its territory consists of twenty-two provinces, Inner and Outer Mongolia, Tibet and Kokonor. The relation between the Emperor and the people, vis-a-vis the machine of government as it obtained just over six months ago has been completely reversed. The Republic of China will exercise its governing rights through the National Assembly, Provisional President, Ministers of State and Courts of Justice. It will be noticeable that "Provisional" President is so far stipulated. Yuan Shih-kai is not the President yet. His election must be confirmed by the National Convention eventually to be convened. The Assembly is to be formed by members of the Tsang Yi-yuan to be elected by various districts. Each Province in China Proper, Inner and Outer Mongolia, and Tibet will elect five members, and Kokonor will have one. Each member will have one vote, and in meeting assembled will be paramount in the land. The National Assembly will decide all laws, budgets, measures of taxation, monetary system, weights and

measures. It will determine the amount of public loans, and agreements causing any obligation to the State treasury, and thereby remove one of the disabilities complained of in other days, and which hastened the downfall of the old régime. The Assembly may express views and present them to the Government regarding laws and other matters, may question Ministers of State and demand their presence at the Assembly to give reply, and, more significant, it reserves the right to impeach the Provisional President if adjudged of being a traitor, the vote to be three-fourths of the members attending with a quorum of four-fifths of the whole members. With a two-third vote of the members attending and a quorum of three-fourths of the whole members it may likewise impeach Ministers of State for failing to carry out official duties or acting illegally, and this provision is likely to prevent much of the official corruption which was so disgraceful a feature of the old system, especially as the Assembly also stipulates that it may demand the Provisional Government to inquire into charges of bribery or any illegal acts of government servants. It is thus placed in the hands of any individual member to publicly denounce officials even if he fails to secure conclusive evidence of guilt.

The Assembly will convene or dissolve itself, and its meetings will be open to the public unless a Minister of State demands, or a majority decides, that they should be held in camera. The Provisional President is to promulgate the matters decided by the National Assembly, and when he uses his vote against the decisions of the Assembly he must declare his reasons within ten days and the matter must be reconsidered by the Assembly. Two-thirds of the members may uphold the original decision. The members of the Assembly, who will elect their Speaker by open ballot, are not to be responsible to any outsiders for their decisions, or their speeches, a necessary precaution in view of the active veto which the military, by virtue of its strength, has recently been claiming over Assembly actions. Against the law, too, the members are protected unless for flagrant breaches, creation of internal disturbances, or foreign invasions, and may not be arrested without the consent of the Assembly. When the National Convention, or Kaohui, comes into being the National Assembly will be abolished.

So far as the Provisional President and Provisional Vice-President are concerned they are to be elected by the Assembly. The Provisional President is to represent the Provisional Government, and control political affairs and promulgate laws. He is to control and command the Army and Navy, and with the approval of the Assembly, decide official organizations and discipline, create Ministers of State, Ambassadors and Ministers accredited to foreign powers. With the approval of the Assembly, too, he may declare war, negotiate for peace, and conclude treaties; declare general amnesty, special amnesty, commutation and rehabilitation. In case he is impeached by the assembly the judges of the highest court of justice will elect nine judges to organize a tribunal to try and decide the case.

The Provisional Vice-President is to act for the Provisional President in case of need, and the Ministers of State generally assist the Provisional President in the responsibilities of government. In case of impeachment by the Assembly they must be dismissed by the Provisional President, unless on the motion of the Provisional President the Assembly agrees to retire the case.

The clauses governing the creation of Courts of Justice give the judges independence, and protect them from interference. Those setting out the conditions of personal existence under the Republic give the citizen full and free scope, make his home his castle, protect him by laws, prohibit his incarceration without trial, accord him secrecy of correspondence, and give him liberty of religious belief. The duties imposed are the usual one of paying the taxes and the unusual one in China of serving in the army.

As an annex it is provided that within ten months from the date of the legalization of the Constitution the Provisional President shall convene a National Convention, which shall decide upon a Constitution. Until then this one shall be law, and its promulgation shall cancel all other rules of the Provisional Government now in force.



PRESIDENT SUN YAT-SEN

DR. SUN TALKS TO THE SPIRITS.

On February 15 Dr. Sun Yat-sen marked his volitional retirement from the Presidency of the Republic by performing a ceremony at the Tomb of the founder of the Ming Dynasty—the last line of Chinese rulers—which will stand unique in Chinese history. Emperor Hung Wu was buried some five hundred years ago, beneath the shadow of Purple Mountain, somewhat over a mile from the north-eastern walls of the city, and to the now crumbling Mausoleum there erected Dr. Sun repaired and at high noon reverently stood before the ancient altar at the Tomb whilst the master of ceremonies announced to the spirits of the departed monarch that China had been recovered by the Chinese people, that the power and prestige of the Manchus had been annihilated, and that a free Republic had been established. Accompanying Dr. Sun were the Minister of War (General Huang-hsin); the Governor-General of the province (Hsu Ko-Ching); and a large party of military and naval officers.

The whole ceremony was strikingly picturesque and impressive. Early in the dull morning soldiers to the number of fifteen thousand marched out of the city, passed the decaying palaces of the Mings, whose time-worn walls now grim and desolate reverberated to the strains of martial music and the thunder of tramping feet, and went on between gigantic stone monoliths standing silent guard on the way to the Tomb. Along the whole route soldiers were formed up with glistening bayonets to await the coming of the retired President. The rainbow flags of the republic flew on the hills and in the dales,

bugles blared and bands played, and the pomp and circumstances were such as should have made the great stone elephants and the giant men stir with interest or compel the palace of Hung Wu, now buried by a hill of earth, to burst asunder its mammoth covering and open its subterranean portals to the new time.

To the ranging eye the scene from the Tomb was magnificent. Over the battlefield of two months ago and stretching like a dragon over the hills and hollows to the huge embattled walls of Nanking the troops in multi-colored uniforms stood in splendid array whilst the light played strangely tremulous upon the heaving lines of bayonets. The passing of Dr. Sun and his staff through the city gate, which was shelled so heartily and effectively by the revolutionary gunners from Purple Mountain on December 1, was the sign for a great stir among the military, and a wealth of strange, weird music from the bands and bugles. On horseback, accompanied by General Hwang-hsin, and General Hsu, Sun Yat-sen rode on his strange mission. Young officers on either side, with Mauser pistols drawn, scrutinised the crowds behind the soldiery for an overt move. Had anyone been unfortunate to lift a hand in a sinister manner his life would not have been worth a moment's purchase. But there was no call for action. The ex-President, pale, and bearing himself with brave show, rode in through the portals of the Tomb enclosure to the boom of cannon and the strains of music. The sun had by this time broken through the clouds, and the scene was never to be forgotten when the historic ground and sur-

roundings and the peculiar nature of the ceremony is realised. None could view the activities of the modern dressed Chinese before the tomb of the ancient without being strangely affected. Where were the spirits of the dead? What could they think if they could see? A dozen such questions were asked by a dozen different provincials. Dismounting near the first temple the President wandered round inspecting the ancient scrolls and inscriptions on massive tablets. The great tablets of the huge turtles' backs attracted his close attention. He spent minutes deciphering the engraving that time had almost obliterated. In each temple were altars spread with luxuries for the spirits; tea and sweetmeats, luscious pork and other substantial fare that the unbeliever cannot associate with a spirit land menu. Dr. Sun noted it all, and then went through the gates leading to the tunnel through which the coffin had to be borne hundreds of years ago in order that the spirits could find peace and rest. To form the tunnel a huge brick pile had been built and on top of this had been erected a temple for worship by royalty. It was now roofless, and rank weeds overgrew the floor. The red walls were falling, and decay had set its hand irrevocably to work. At the end furthest from the entrance where the old altar stood was now placed a table, above it flags of the Republic were crossed, and between these was suspended an ancient and valuable life-sized painting of the Emperor, Hung Wu. On the table a sumptuous array of food, tasty and satiating, was spread for the spirits, and two huge red candles blazed in the daylight and poured streams of red wax to the boards as they guttered in the breeze. The wind sighed in the trees covering the hill forming the grave mound of the Emperor, and high above the white fog shrouded the top of Purple Mountain; there was not a sound but that of the moaning wind, as the President and his party stood with bare heads and profoundly bowed before the altar and the picture of the long-dead monarch. Three times they bent their heads, and whilst the Master of Ceremonies, in frock coat, read out to the spirits the reason for the gathering, the spectators could not but marvel at the significance of the ceremony and the strangeness of the group, dressed as they were in European military uniform, paying this homage to the spirits of an emperor who was laid to rest some five hundred years ago.

Nor could Dr. Sun Yat-sen, the central figure, fail to impress. Pale and filled with emotion, he now faced the gathering to tell them briefly of the revolution and to announce, without attaching any significance to his self-effacing act, that he had resigned the Presidency and that Yuan Shih-kai would be elected in his stead on his recommendation. Standing before the world, with his feet within the mausoleum of the first of an illustrious line of Chinese emperors, with his hands voluntarily releasing the topmost rung of the ladder of power in his land in order that his enemy, of greater experience, might guide the new fledged Republic of China, Sun Yat-sen was a veritable modern Cincinnatus, and perhaps he has more claim to admiration than the old Roman hero when it is remembered how he has been chased about the world by a relentless foe, and how his return to his native land has been of less than two months' duration. Dr. Sun Yat-sen, as he delivered his inspiring address, was the personification of patriotism, and what he may lack in administrative experience, he more than makes up by the magnificent qualities that he possesses and which impelled him to sacrifice at his own volition such a high national position as he so quickly attained.

The men about him could not refrain from bursting into long and stirring cheers as he bespoke loyalty to Yuan Shih-kai, and pleaded for unity in the provinces and among the numerous branches of official life. And as the cheers rose in moving volume from the little crowd within the roofless temple near the Tomb they were taken up by the concourse below and went sweeping away along the ranks of the soldiers, swelling as they swept up the hills, diminishing as they ran down the hollows, until the very walls of the city were reached, and there they mingled with the booming of the cannon saluting away along the Yangtze. It was a wonderful sight, and magnificent in effect. Bugles sent paeans across the recent battlefields, and amid the strains of band music Dr. Sun Yat-sen, self-stripped of Presidential honours, left the spirits to marvel among themselves, and taking horse rode slowly back into the city through the long lines of still cheering troops.

At his Yamen a further reception was held, and, appearing in a black frock coat instead of the military uniform which he wore in the morning, he again urged the need of unity in the land and proclaimed himself a citizen among citizens. In the National Assembly building the delegates had that day elected Yuan Shih-kai President, and Sun-Yat-sen's duty was merely to carry on the affairs of his office until Yuan could take over the seals himself.

DRAFT AGREEMENT OF SINO-BELGIAN LOAN

(Specially translated for the "Mercury.")

Provisional President Sun has placed the following bill before the Nanking National Assembly:—

In a telegram from Premier Tang of Peking he states that he had negotiated with the Sino-Belgian Bank and four powers financial group and it has been arranged that the Sino-Belgian Bank will give a loan of £1,000,000 and President Yuan signed the draft agreement to-day and the draft agreement is hereby wired to you and therefore please place the agreement before the National Assembly to pass its approval and as the provinces of Mukden, Shanshi, Shensi, Kansu, Honan and Canton are all demanding funds and the four powers financial group allows only Taels 6,400,000 per month for the five months to come it is not enough and thus this special loan is needed and the agreement is as follows:—

THE CHINESE GOVERNMENT 5% GOLD LOAN

Whereas President Yuan despatched Chou Tse-chi, the Vice Minister of Finance and negotiated and entered into a draft agreement with the representative of the Peking branch of the Sino Belgian Bank on 20th February, 1912, the final agreement is hereby entered into on 14th March of the 1st year of the Republic of China as follows between the following parties, namely:

Lu Tsong-yu, who represents the Minister of Finance, as agent of President Yuan of the Provisional Government of China, provided that President Sun and President Yuan ratify the agreement and the present and the future government of China and its national convention will also ratify it, and The Representative of the Sino Belgian Bank who represents a financial group of three powers in Europe herein after called the said Bank under following terms:—

1.—NAME AND AMOUNT OF THE LOAN.

The Government of China is desirous of having a loan to the amount of £1,000,000 or about francs 25,000,000, from foreign financiers and the bank is desirous to give the said amount of loan to the government of China and this loan will be called from the date of signing as "The Chinese Government Five per Cent Gold Loan of 1912."

2.—THE USE OF THE LOAN.

This loan will be solely employed for the expense of the central and local governments of China either for administration or relief fund for suffering merchants and people.

3.—GUARANTEE.

This loan is guaranteed perfectly by the Central Government of China with sincerity and confidence that the principal and interest will be refunded and paid in accordance with the date hereinafter mentioned and also that all the stipulations of this agreement will be carried out.

4.—SECURITIES.

The government of China prepares State Treasury bonds of the Chinese government for the total sum of £1,000,000 of English sterling or about francs 25,000,000 of French money and hands them to the said bank, each bond to be of the face value of £10,000 sterling and these bonds are secured with the revenue of the government of China as well as the property and business of the Peking-Kalgan Railway and its net profit as first mortgage for the principal and interest of this loan and for the security the amount is estimated at Taels 800,000 per annum and it is hereby declared that this security has not been mortgaged otherwise and also that

the revenue of the security will never in any event be interfered with and in case principal and interest or either principal or interest are failed to be paid in time the said bank may postpone such payment and if even with that postponement the payment fail the government of China cannot prevent the said bank or interfere with the steps necessary to protect the interest of the said bank.

5.—INTEREST.

The interest is at the rate of five per cent per annum on the face value of the bond and will be paid in each half year and the first interest will be paid two weeks before the date counting from the date of the signing of this agreement and the next half yearly interest will be paid on the date of half a year counting from the date of the signing of this agreement.

6.—NET RECEIPT.

The said bank will pay 97 per cent. of the face value of the bonds or at the discount of three per cent. of the face value to the Government of China and the bonds will be countersigned by the President and the Minister of Finance representing the Government of China.

7.—STATE TREASURY BONDS TO BE REPLACED BY GOVERNMENT BONDS

In case the said Bank desires to change the State Treasury Bonds for Chinese Government Bonds it will be allowed as desired.

8.—COUNTERSIGNATURE OF THE GOVERNMENT BONDS.

The Government bonds in the last clause being printed matter will be signed and sealed by the highest official of the political affairs of the Government of China and if the said bank considers it necessary the Chinese Minister in the capital of Belgium or other places as proposed by the said bank will also countersign and seal so as to provide evidence that the bonds sold by the said bank are ratified by the Government of China.

9.—EXPENSE.

If there is any expense to exchange the State Treasury Bonds into Government bonds as mentioned in the last clause such expense shall be borne by the said bank.

10.—THE TERMS OF THE LOAN

The term of this loan is one year from the date of the signing of this agreement and in case the term expires the Government of China should redeem either the State treasury Bonds or Government bonds at the market value.

11.—EXEMPTION FROM TAX.

The ownership of the state treasury Bonds or any payment of money in this loan arrangement is exempted from any taxation by China.

12.—LOST GOVERNMENT BONDS.

In case the government bonds be mislaid or stolen or destroyed or otherwise lost the said bank and the representative of the government of China will take steps to protect the rights of the concerned of both sides in accordance with the measures usually taken or stipulated by the Government of China and all the banks.

13.—PAYMENTS.

Fifteen days after the signature of this agreement the said bank will pay either at Peking or in London or in Paris at the discount of three per cent to the Government of China at the exchange of the said bank or through a bank named by the said bank and the rate of exchange will be decided fairly by the said bank and the Government of China after due consultation.

14.—REDEMPTION.

The Government of China may pay off the principal and interest of this loan before the term of this agreement from the funds of future foreign loan in Europe but with one year's interest at any time. In case such future loan be transacted through the said bank the said state treasury bonds or government bonds need not be redeemed at the market price but may be redeemed at the rate of 98½ per cent of the face value of each bond. When the said state treasury bonds or government bonds are redeemed, interest being paid, this agreement will become

null and void. However the clause 13 should be observed by the government of China. But in case the government of China desires to pay the principal and interest in China by using bar silver or the silver coins of future standard of China such payment will be made in Shanghai fourteen days before the date of the term of expiration of such payment at the rate of exchange of gold coins paid in Europe to be decided by the government of China and the said bank or the party who has been selected by the parties of this agreement.

(This item has been revised by the National Assembly and the revised wording is still unknown.)

15.—PREFERENTIAL RIGHT.

The said bank having helped the Government of China in the time of need by making this agreement the Government of China specially grants a preferential right to the said bank in case China shall raise any future loan if the conditions be the same as other banks but the amount for such a loan should not exceed £5,000,000. In case twelve months after the signing of this agreement the Government bonds issued secure a good price the loan will be at least £5,000,000 and it will be included in a £10,000,000 loan. If any future loan be raised by China and the conditions of the said bank be the same as those of the others the Government of China will order the said bank to undertake the new loan.

16.—REFERENCE TO THE MINISTER TO CHINA.

This agreement, after being signed by both parties, will be submitted to the Wuwupu of China to be officially referred to the Belgian, British and French Ministers to China.

17.—COPIES OF THIS AGREEMENT.

This agreement is made in Chinese and English with six copies each and three of each will be held by the Government of China and three will be held by the said bank. In case there is any dispute in the wording of the agreement the English version will be held correct.

In witness, etc.

President Yuan ratified.

Tang Shao-yi hereby sends this agreement to the National Assembly for approval after due resolution being passed.

Date the 16th day of March of the first year of the Republic of China.

PROPOSALS FOR COAL.—HEADQUARTERS PHILIPPINES DIVISION, Office of Chief Quartermaster, Manila, P. I.—March 11th, 1912. Sealed proposals in triplicate, subject to the usual conditions, for furnishing the Quartermaster's Department, U. S. Army, approximately 80,000 tons of coal, during the Fiscal Year 1913, will be received here until 11:00 a. m., May 15, 1912, and then publicly opened. Information and blank forms furnished upon application. I. W. Littell, Assistant Quartermaster General, U. S. Army, Chief Quartermaster.

PROPOSALS FOR COAL BOAT.—HEADQUARTERS PHILIPPINES DIVISION, Office of Chief Quartermaster, Manila, P. I., March 22, 1912. Sealed proposals, in triplicate, for furnishing the Quartermaster Department, U. S. Army, at Manila, with One Coal Boat will be received here until 11:00 a. m. June 15th, 1912, and then publicly opened. Information and blank forms furnished upon application. I. W. Littell, Assistant Quartermaster General, U. S. Army, Chief Quartermaster.

AMERICA.—An Englishman with first class connection among buyers in the States and Canada is open to represent an established China house of good standing desirous of extending its trade there. In the event of favorable negotiations advertiser is prepared to visit China to complete arrangements—J. P. W., care of FAR EASTERN REVIEW, Manila, P. I.